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CHAPTER 01
Budget Formulation and Public Finance

1. According to Article 112 of the Constitution of India, what is the formal term used for the government budget?
(A) Consolidated Financial Statement
(B) Annual Financial Statement
(C) Union Financial Budget
(D) Appropriation and Finance Statement

2. Which of the following best describes a balanced budget?
(A) A budget where total revenue receipts strictly exceed total capital expenditure
(B) A budget where the fiscal deficit is equivalent to the primary deficit
(C) A budget where non-plan expenditure is completely eliminated
(D) A budget where the government's estimated total receipts are equal to its estimated total expenditure

3. In the context of public finance, which of the following statements about a surplus budget is most appropriate?
(A) It plays a contractionary role in the economy by reducing aggregate demand
(B) It acts as an expansionary tool during economic recessions
(C) It involves the government spending more than its revenue to boost demand
(D) It is the most common form of budget adopted by developing nations

4. Which of the following is an example of capital receipts in the government budget?
(A) Dividends from Public Sector Undertakings (PSUs)
(B) Proceeds from the auction of telecom spectrum
(C) Funds raised through market borrowings by the government
(D) Income generated from income tax and corporate tax

5. The primary deficit in a government budget is calculated by which of the following formulas?
(A) Fiscal Deficit minus Interest Payments
(B) Revenue Deficit minus Capital Expenditure
(C) Total Expenditure minus Total Receipts
(D) Fiscal Deficit minus Revenue Deficit

6. During the budget formulation process, which entity consolidates the budget proposals received from various ministries before presenting them for Cabinet approval?
(A) Reserve Bank of India
(B) Ministry of Statistics and Programme Implementation
(C) Comptroller and Auditor General of India
(D) Ministry of Finance

7. Deficit financing in a developing economy is most commonly justified on which of the following grounds?
(A) To appreciate domestic currency value in international markets
(B) To fund productive investments for long-term economic growth
(C) To substitute tax revenues entirely with sovereign borrowings
(D) To control domestic price levels and curb inflation rapidly

8. Consider the following statements regarding Revenue Receipts:
I. They do not create any corresponding liability for the government.
II. They include proceeds from disinvestment of public sector enterprises.
III. They do not lead to any reduction in the government's assets.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

9. In the parliamentary budget process, what is the primary purpose of the Appropriation Bill?
(A) To introduce direct and indirect taxation policies for the fiscal year
(B) To determine the horizontal devolution formula for revenue sharing

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(C) To present the economic survey report covering preceding performance
(D) To permit withdrawal of money from Consolidated Fund of India

10. Which budgeting concept requires all expenses to be justified for each new period, starting from a base of nothing?
(A) Zero-based Budgeting
(B) Outcome Budgeting
(C) Performance Budgeting
(D) Capital Budgeting

11. Which of the following does NOT fall under the category of internal public debt?
(A) Treasury bills issued to the Reserve Bank of India
(B) Sovereign bonds issued in international markets
(C) Market loans raised from commercial banks
(D) Funds collected through small savings schemes

12. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): A deficit budget is generally preferred by developing economies over a balanced budget.
Reason (R): Developing economies require massive investments in infrastructure and welfare which often exceed their current revenue generating capacity.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

13. The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 primarily aimed to achieve which of the following?
(A) Establish public debt and fiscal deficit targets
(B) Eliminate all capital expenditure from annual budgets
(C) Ensure external debt routinely exceeds internal debt
(D) Enforce surplus budgets for five consecutive years

14. In which year was the presentation of the Railway Budget merged with the Union Budget in India?
(A) 2015
(B) 2016
(C) 2017
(D) 2019

15. Consider the following statements regarding Capital Expenditure:
I. It results in the creation of physical or financial assets.
II. It includes expenditure on payment of salaries and pensions.
III. It leads to a reduction in financial liabilities, such as repayment of past loans.
IV. It is recurring in nature and primarily sustains the daily administration.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and IV only
(D) III and IV only

16. What does the term 'Guillotine' refer to in the context of the parliamentary approval process of the budget?
(A) Rejection of the annual Finance Bill by the Upper House following lengthy legislative debates
(B) Automatic lapse and return of unspent departmental allocations at the end of the financial year
(C) Voting on remaining Demands for Grants en bloc without debate when allotted time expires
(D) Constitutional prohibition against introducing new tax proposals during national election cycles

17. The distinction between Plan and Non-Plan expenditure in the Indian budget was historically significant. In which year was this classification officially scrapped in the Union Budget?
(A) 2014-15
(B) 2017-18
(C) 2019-20
(D) 2021-22

18. Consider the following steps in the budget passage in Parliament:
I. Passing of the Appropriation Bill
II. General Discussion
III. Presentation of the Budget
IV. Voting on Demands for Grants
Which of the following represents the correct chronological order of the steps given above?
(A) III, II, IV, I

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(B) III, IV, II, I
(C) II, III, I, IV
(D) III, II, I, IV

19. Which of the following is an example of non-tax revenue for the Union Government?
(A) Interest received on loans given to State Governments
(B) Comprehensive Goods and Services Tax collected across all domestic sectors
(C) Customs duties levied on goods imported into national territory
(D) Corporate income tax levied on net profits of commercial entities

20. The Finance Bill, which seeks to give effect to the financial proposals of the Government of India, is introduced in the Parliament as a:
(A) Constitutional Amendment Bill
(B) Ordinary Bill
(C) Money Bill
(D) Private Member's Bill

21. What is the key economic implication of a consistently high Revenue Deficit?
(A) Borrowing for operational expenses, eroding capital formation
(B) Accumulating surplus fiscal reserves dedicated to upcoming capital projects
(C) Entering a sustained economic period characterized by negative consumer price inflation
(D) Converting external public sovereign obligations into domestic credit instruments

22. Match List I with List II:
List I: (Deficit Indicator)
P. Revenue Deficit
Q. Fiscal Deficit
R. Primary Deficit
S. Budgetary Deficit
List II: (Mathematical Definition)
1. Total Expenditure minus Total Receipts (excluding borrowings)
2. Revenue Expenditure minus Revenue Receipts
3. Total Expenditure minus Total Receipts
4. Fiscal Deficit minus Interest Payments
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-1, R-4, S-2

23. Loans secured by the Government of India from multilateral institutions like the World Bank are classified under:
(A) Internal Public Debt
(B) External Public Debt
(C) Revenue Receipts
(D) Foreign Direct Investment

24. Outcome budgeting aims to link budgetary allocations strictly with:
(A) Historical operational expenditure patterns across all government departments
(B) Total volume of internal market debt raised during the preceding fiscal year
(C) Clear, measurable deliverables and defined performance outcomes
(D) Total administrative footprint and staff size of the executing ministry

25. Consider the following statements about the Finance Commission of India:
I. It recommends the vertical devolution of taxes between the Union and the States.
II. It is a statutory body constituted every five years under the FRBM Act.
III. It determines the horizontal distribution formula for allocating resources among different states.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

26. Proceeds from the disinvestment of Central Public Sector Enterprises (CPSEs) are classified in the Union Budget as:
(A) Non-Debt Capital Receipts
(B) Tax Revenue Receipts
(C) Non-Tax Revenue Receipts
(D) Debt Creating Capital Receipts

27. Identify the odd one out in terms of revenue classification in the government budget:
(A) Direct personal income tax levied on individual annual earnings
(B) Annual dividend payouts from public sector commercial banks
(C) Corporate tax levied on net operational profits of companies
(D) Capital gains tax imposed on profitable financial assets

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28. Which component is strictly excluded when calculating Total Receipts for the purpose of defining the Fiscal Deficit?
(A) Tax Revenue
(B) Market Borrowings
(C) Disinvestment Proceeds
(D) Recovery of Loans

29. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Monetization of deficit by printing new currency is generally avoided by governments.
Reason (R): It directly leads to a massive contraction in money supply and causes severe deflation.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

30. Which of the following items is historically classified as a major component of Non-Plan Expenditure (prior to the classification merger)?
(A) Capital outlay for building national expressways and highways
(B) Infrastructure setup for establishing new central universities
(C) Defense revenue expenditure alongside debt interest payments
(D) Central government financial grants distributed for state plans

31. The payment of interest on internal and external debt by the government is recorded in the budget under:
(A) Capital Expenditure
(B) Capital Receipts
(C) Revenue Receipts
(D) Revenue Expenditure

32. In the context of government borrowing, which method represents deficit financing in its most inflationary form?
(A) Issuing long-term sovereign bonds to institutional and retail investors
(B) Securing external credit lines from multilateral banking institutions
(C) Deficit monetization via direct currency creation by the central bank
(D) Accumulating public capital through retail small savings certificates

33. Consider the following statements regarding the formulation and structure of the Government Budget:
I. The Revenue Budget deals only with current financial operations of the government.
II. The Capital Budget includes only those transactions that affect the assets and liabilities of the government.
III. Grants-in-aid given to state governments are always treated as capital expenditure.
IV. Recovery of loans by the central government is a capital receipt.
Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) III only
(C) II and IV only
(D) III and IV only

34. Sovereign bonds issued by the Government of India in international markets to raise funds would directly increase the country's:
(A) Domestic Market Borrowings
(B) Total Tax Revenue
(C) Foreign Direct Investment
(D) External Public Debt

35. The surplus transferred by the Reserve Bank of India (RBI) to the Government of India forms a part of:
(A) Non-tax revenue receipts
(B) Capital revenue receipts
(C) Tax-based revenue receipts
(D) Internal market borrowings

36. What was the primary rationale behind shifting the presentation of the Union Budget to February 1 from the last working day of February?
(A) Aligning national financial reporting cycles with calendar year periods
(B) Meeting mandatory statutory compliance rules under the FRBM framework
(C) Completing legislative approval before the April 1 fiscal start
(D) Omitting the mandatory General Discussion phase within the Lok Sabha

37. Which of the following is the most accurate indicator of the current fiscal stance of the government, completely isolating the impact of past borrowing decisions?
(A) Primary Deficit
(B) Budgetary Deficit
(C) Fiscal Deficit
(D) Revenue Deficit

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38. Match List I with List II:

List I: (Budget-related Term)

P. Disinvestment
Q. Deficit Financing
R. Finance Bill
S. Appropriation Bill

List II: (Description)

1. Legal authorization to withdraw from the Consolidated Fund
2. Legislative proposal for new taxes or tax changes
3. Selling government stakes in public sector enterprises
4. Funding the fiscal gap through borrowings or new currency

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

39. Subsidies provided by the government on food, fertilizer, and petroleum are classified under:
(A) Capital Receipts
(B) Revenue Expenditure
(C) Capital Expenditure
(D) Revenue Receipts

40. Select the correct sequential order of the budget preparation phase before its presentation in the Parliament:
(A) Issue of circular by Finance Ministry → Ministries submit estimates → Pre-budget meetings → Consolidation by Finance Ministry → Cabinet approval
(B) Ministries submit estimates → Pre-budget meetings → Issue of circular by Finance Ministry → Cabinet approval → Consolidation by Finance Ministry
(C) Issue of circular by Finance Ministry → Pre-budget meetings → Consolidation by Finance Ministry → Ministries submit estimates → Cabinet approval
(D) Cabinet approval → Issue of circular by Finance Ministry → Ministries submit estimates → Pre-budget meetings → Consolidation by Finance Ministry

41. A balanced budget is often considered a rare practical occurrence in modern economies primarily because:
(A) Statutory constitutional mandates require governments to present fiscal deficits
(B) International financial organizations penalize nations operating without deficits
(C) Balancing total revenues and spending triggers structural hyperinflationary cycles
(D) Matching estimated revenues with actual outlays is nearly impossible

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42. Any proposal regarding the imposition, abolition, or modification of a tax must be routed through which of the following?
(A) Finance Bill
(B) Appropriation Bill
(C) Vote on Account
(D) Demand for Grants

43. All of the following constitute capital receipts of the Central Government EXCEPT:
(A) Raising short-term funds through the issuance of Treasury Bills
(B) Dividend distributions received from public sector enterprises
(C) Recouping principal amounts from loan repayments by state governments
(D) Securing financial credit facilities from the International Monetary Fund

44. If the Primary Deficit in a government budget is zero, it implies that:
(A) The central government refrains from any fresh borrowing during the fiscal year
(B) The fiscal deficit equals interest payments on previous borrowing
(C) The accumulated revenue deficit has been fully eliminated from state accounts
(D) The nation has completely settled its outstanding external public debt obligations

45. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Capital Expenditure is considered more beneficial for the long-term health of an economy compared to Revenue Expenditure.
Reason (R): Capital Expenditure leads to the creation of productive infrastructure and asset formation, which boosts future economic growth.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

46. No money can be withdrawn from the Consolidated Fund of India for any government expenditure without the enactment of:
(A) A Constitutional Amendment Act

(B) A Finance Act
(C) An Appropriation Act
(D) The FRBM Act

47. The concept of "Zero-Based Budgeting," which requires managers to justify all their budgeted expenditures entirely from scratch, was first developed in the United States by:
(A) John Maynard Keynes
(B) Milton Friedman
(C) Adam Smith
(D) Peter Phyrr

48. Consider the following statements distinguishing the Revenue Budget from the Capital Budget:
I. The Revenue Budget deals with non-liability creating receipts, while the Capital Budget deals with liability creating receipts or asset-reducing receipts.
II. Revenue Expenditure does not result in physical asset creation, whereas Capital Expenditure does.
III. Defense capital outlay falls under the Revenue Budget due to its national security importance.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

49. In the context of the Finance Commission's role, the term 'horizontal devolution' refers to:
(A) The distribution of the net proceeds of taxes between the Centre and the States
(B) The distribution of the states' share of taxes among the individual states
(C) The allocation of funds among different central government ministries
(D) The transfer of surplus funds from the RBI to the Government of India

50. The expenditure incurred by the government on purchasing fighter jets for the Indian Air Force is classified under which budgetary head?
(A) Defense Revenue Expenditure
(B) Non-Plan Revenue Expenditure
(C) General Service Expenditure
(D) Defense Capital Expenditure

51. Treasury Bills are short-term borrowing instruments primarily used by the government to manage temporary liquidity mismatches. These constitute a part of:
(A) Internal Public Debt
(B) External Sovereign Debt
(C) Non-Tax Revenue Receipts
(D) Capital Budget Spending

52. Match List I with List II:
List I: (Item)
P. Salaries of Government Employees
Q. Spectrum Auction Proceeds
R. Repayment of Past Loans by Government
S. Market Borrowings
List II: (Budgetary Classification)
1. Capital Expenditure
2. Capital Receipt
3. Revenue Expenditure
4. Non-Tax Revenue Receipt
(A) P-3, Q-4, R-1, S-2
(B) P-3, Q-2, R-1, S-4
(C) P-1, Q-4, R-3, S-2
(D) P-3, Q-1, R-4, S-2

53. Which of the following is the most accurate definition of 'Fiscal Deficit'?
(A) Total Spending minus (Revenue Receipts + Non-debt Capital Receipts)
(B) Gross Annual Budgetary Receipts minus Total Public Sector Expenditures
(C) Recurring Revenue Spending minus Gross Annual Tax and Non-Tax Receipts
(D) Net Annual Capital Expenditures minus Total Non-Borrowing Receipts

54. The 'Demands for Grants' in the Lok Sabha are presented ministry-wise. Which constitutional article explicitly governs the presentation of these demands?
(A) Article 110
(B) Article 112
(C) Article 113
(D) Article 114

55. A surplus budget represents a contractionary fiscal policy stance. In which of the following macroeconomic scenarios is a government most likely to consciously pursue a surplus budget?
(A) High systemic unemployment coupled with prolonged industrial growth stagnation
(B) Hyperinflation driven by excessive aggregate economic demand
(C) Severe economic depression requiring major government spending stimulation
(D) A sharp downturn in private enterprise capital formation and investment

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56. Consider the following components of public finance:
I. Multilateral loans from the Asian Development Bank
II. Funds raised via National Savings Certificates (NSC)
III. Issuance of Sovereign Gold Bonds
IV. Market loans raised through dated securities
Which of the above statement(s) is/are classified strictly under 'Internal Public Debt'?
(A) I, II and IV only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

57. The government's collections from spectrum usage charges, royalty from mines, and license fees are categorized under:
(A) Indirect Taxes
(B) Tax Revenue
(C) Capital Receipts
(D) Non-Tax Revenue

58. Consider the following components of the Fiscal Deficit calculation:
I. Determine Total Revenue and Non-Debt Capital Receipts
II. Subtract Interest Payments
III. Calculate Total Expenditure
IV. Compute Fiscal Deficit
Which of the following represents the correct logical sequence of steps to arrive at the Primary Deficit?
(A) III, I, IV, II
(B) I, III, II, IV
(C) III, IV, I, II
(D) I, II, III, IV

59. Loans obtained by the Government of India through bilateral agreements with the Government of Japan for infrastructure development are recorded as:
(A) Internal Market Borrowings
(B) External Public Debt
(C) Capital Expenditure
(D) Foreign Grants in Aid

60. A high fiscal deficit inevitably implies which of the following for the government?
(A) A structural reduction in future debt servicing and interest obligations
(B) Higher reliance on market loans or deficit financing
(C) An immediate structural surplus within the annual revenue account
(D) An automatic appreciation in the exchange rate of domestic currency

61. Under the Indian Constitution, the Finance Bill containing taxation proposals is treated as a Money Bill. In this context, what is the maximum period the Rajya Sabha can delay its passage?
(A) 7 days
(B) 14 days
(C) 30 days
(D) 6 months

62. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Achieving a zero revenue deficit is a key objective of prudent fiscal management.
Reason (R): A zero revenue deficit ensures that the government does not resort to borrowing to meet its day-to-day administrative consumption.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

63. Recovery of loans granted earlier by the Central Government to state governments is accounted for in the Union Budget as:
(A) Revenue Receipt
(B) Debt-creating Capital Receipt
(C) Capital Expenditure
(D) Non-debt Capital Receipt

64. If a public sector undertaking (PSU) generates a net profit and distributes a portion of it to the Government of India, where does this transaction reflect in the budget?
(A) Under Capital Receipts as disinvestment
(B) Under Tax Revenue as corporate tax
(C) Under Non-Tax Revenue as dividends
(D) Under Capital Expenditure as investment return

65. The act of the government borrowing directly from the central bank (RBI) by issuing ad-hoc treasury bills to cover the fiscal gap is historically termed as:
(A) Sovereign Debt Restructuring
(B) Deficit Monetization
(C) Fiscal Devolution Policy
(D) Sovereign Debt Default

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66. While Zero-based budgeting focuses on justifying every rupee of proposed expenditure, Outcome budgeting primarily focuses on:
(A) Analyzing the exact legal wording and clauses of the Appropriation Bill
(B) Formally merging the railway budget with the general budget framework
(C) Reducing non-essential capital spending to balance annual deficit targets
(D) Tracking end outcomes and physical deliverables of expenditures

67. Consider the following statements regarding the parliamentary budget process:
I. The budget is presented in the Lok Sabha by the Finance Minister on a day fixed by the President.
II. Demands for Grants are subject to vote only in the Lok Sabha, not in the Rajya Sabha.
III. The Rajya Sabha has the power to reject or amend the Appropriation Bill.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

68. What does a Revenue Deficit mathematically signify about the government's financial behavior?
(A) Government fiscal reserves and net savings are highly positive overall
(B) Annual tax collections increase exceptionally fast compared to past trends
(C) Current spending exceeds current recurring revenues
(D) Capital spending growth significantly outpaces capital account receipts

69. Which of the following is the correct formula to calculate the Revenue Deficit?
(A) Total Revenue Expenditure - Total Revenue Receipts
(B) Total Capital Expenditure - Total Capital Receipts
(C) Fiscal Deficit - Revenue Expenditure
(D) Primary Deficit + Interest Payments

70. Which of the following represents the correct chronological order of major historical changes applied to the Union Budget presentation?
(A) Enactment of FRBM Act → Merger of Railway and General Budget → Shifting of Budget presentation to Feb 1
(B) Shifting of Budget presentation to Feb 1 → Merger of Railway and General Budget → Enactment of FRBM Act
(C) Enactment of FRBM Act → Shifting of Budget presentation to Feb 1 & Merger of Railway and General Budget
(D) Merger of Railway and General Budget → Enactment of FRBM Act → Shifting of Budget presentation to Feb 1

71. A developing economy justifies running a deficit budget largely because it leads to:
(A) Rapid price deflation across consumer markets
(B) Capital formation and idle resource mobilization
(C) Complete structural elimination of import duties
(D) A sharp systemic decrease in national money supply

72. Consider the following sources of government revenue:
I. Customs Duty
II. Interest Receipts
III. Corporate Tax
IV. License Fees
Which of the above statement(s) is/are strictly classified as 'Tax Revenue' in the Central Budget?
(A) I and II only
(B) I and III only
(C) III and IV only
(D) I, III and IV only

73. What distinguishes external public debt from internal public debt?
(A) External debt is raised exclusively to meet national defense procurement needs
(B) External debt carries zero interest rate liabilities for the borrowing nation
(C) External debt is legally prohibited under mandatory provisions of the FRBM Act
(D) External debt incurs currency risks and foreign exchange repayment liabilities

74. If the Rajya Sabha recommends an amendment to the Finance Bill, what is the procedural consequence?
(A) The Lok Sabha may accept or reject recommendations
(B) The tax proposal bill must be withdrawn from the legislative agenda immediately
(C) A joint parliamentary session must be

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formally summoned by the President
(D) Proposed amendments are automatically incorporated into the finalized legislation

75. Identify the odd one out with respect to its classification as Capital Expenditure:
(A) Construction of a new national hospital
(B) Payment of subsidies for rural electrification
(C) Purchasing equity shares in an international financial institution
(D) Repayment of principal amount of a sovereign loan

76. To gauge the fiscal discipline of the current government while ignoring the debt legacy of previous administrations, an economist should strictly analyze the:
(A) Revenue Deficit
(B) Primary Deficit
(C) Effective Revenue Deficit
(D) Gross Fiscal Deficit

77. The collections from the Public Provident Fund (PPF) and National Savings Certificate (NSC) are accounted for under the Public Account of India. These essentially form part of the government's:
(A) Internal Public Debt
(B) Annual Tax Revenues
(C) Direct Capital Spending
(D) Non-Tax Revenue Receipt

78. Match List I with List II:
List I: (Budgetary Indicator)
P. Rising Revenue Deficit
Q. Zero Primary Deficit
R. High Capital Expenditure
S. Increasing Market Borrowing
List II: (Economic Implication)
1. Indicates expanding infrastructure and asset creation
2. Surging Fiscal Deficit and potential crowding out of private investment
3. Borrowing exactly equals interest payment obligations
4. Borrowing used to finance regular day-to-day government functioning
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-4, Q-1, R-3, S-2
(D) P-2, Q-3, R-1, S-4

79. During the 'General Discussion' phase of the budget passage in the Parliament, which of the following actions is strictly prohibited?
(A) Members delivering speeches on general economic principles
(B) The Finance Minister giving a reply at the end of the debate
(C) Discussing the fiscal policy stance of the government
(D) Moving cut motions to reduce the proposed grant amounts

80. The allocation of funds for the construction of a new railway corridor is recorded in the Union Budget as:
(A) Capital Receipt
(B) Revenue Receipt
(C) Capital Expenditure
(D) Revenue Expenditure

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ANSWERS

1. (B) Annual Financial Statement
Under Article 112 of the Constitution of India, the government's estimated receipts and expenditure for a financial year are formally termed the Annual Financial Statement. This constitutional document reflects the financial roadmap of the Union Government. It includes details regarding revenue expenditures, capital outlays, and expected receipts for the upcoming financial year, ensuring legislative oversight over public finance.

2. (D) A budget where the government's estimated total receipts are equal to its estimated total expenditure
A balanced budget occurs when total anticipated government revenues exactly equal total planned spending during a given fiscal year. Under this condition, the government neither incurs a deficit nor generates a surplus. Consequently, there is no requirement to raise fresh public debt or utilize past accumulated reserves, maintaining monetary equilibrium without expanding fiscal obligations or reducing overall national reserves.

3. (A) It plays a contractionary role in the economy by reducing aggregate demand
A surplus budget occurs when government receipts exceed total government expenditure, removing liquidity from the private sector. By collecting more revenue through taxation than it spends back into the economy, the government reduces overall purchasing power and aggregate demand. Therefore, surplus budgeting functions as a contractionary fiscal mechanism, frequently utilized during periods of economic overheating to curb demand pull inflation.

4. (C) Funds raised through market borrowings by the government
Capital receipts are financial proceeds that either create financial liabilities or reduce government assets. Market borrowings by the government create a repayment obligation, increasing public liabilities and thereby qualifying as debt-creating capital receipts. In contrast, tax earnings, dividends from public enterprises, and spectrum sales represent recurring non-debt revenues that neither alter asset bases nor increase financial debt commitments.

5. (A) Fiscal Deficit minus Interest Payments
The primary deficit indicates the current fiscal requirement of the government without considering historical debt obligations. It is calculated by subtracting interest payments on past borrowings from the fiscal deficit. This metric helps economists assess whether current government spending, excluding past debt servicing obligations, stays within financial receipts, reflecting current financial health and fresh debt requirements.

6. (D) Ministry of Finance
The Ministry of Finance serves as the principal coordinator in preparing the budget. Within the Ministry, the Department of Economic Affairs compiles expenditure demands and revenue projections from various ministries and departments. After analyzing and reconciling these estimates, the Ministry prepares the final draft budget and submits it to the Cabinet for formal approval before parliamentary presentation.

7. (B) To fund productive investments for long-term economic growth
In developing economies, tax collections and regular revenues are often inadequate to support heavy capital investments in public infrastructure, technology, and health. Deficit financing allows governments to bridge this resource gap by borrowing or creating currency to fund growth-oriented projects. These productive capital expenditures stimulate job creation, enhance industrial capacity, and boost future GDP growth.

8. (C) I and III only
Revenue receipts are government earnings that neither create any future liabilities nor lead to any reduction in government assets. Tax collections and administrative fees are classic examples because they provide non-repayable income. Conversely, proceeds from public sector enterprise disinvestment reduce government

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equity assets, making them non-debt capital receipts rather than revenue receipts.

9. (D) To permit withdrawal of money from Consolidated Fund of India
Article 114 of the Constitution mandates that no funds can be withdrawn from the Consolidated Fund of India without parliamentary enactment of an Appropriation Act. Once the Lok Sabha votes on the Demands for Grants, the Appropriation Bill is introduced to grant legal sanction for government spending across approved public services during the financial year.

10. (A) Zero-based Budgeting
Zero-based budgeting requires all government departments to justify their entire budgetary demands from scratch for every new financial cycle, assuming a base of zero. Unlike incremental budgeting, which adjusts previous allocations upward, this method evaluates the necessity, cost-efficiency, and priority of each proposed activity, ensuring that inefficient schemes are eliminated and public resources allocated effectively.

11. (B) Sovereign bonds issued in international markets
Internal public debt consists of statutory borrowing instruments issued within domestic jurisdiction payable in national currency. Treasury bills, market loans from commercial banks, and small savings schemes draw upon domestic credit and domestic investors. Conversely, sovereign bonds issued in global capital markets involve foreign investors, foreign currencies, and external repayment channels, placing them under external sovereign debt.

12. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Developing economies continuously face immense expenditure needs for infrastructure construction, poverty alleviation, and public healthcare. Because domestic tax receipts and non-tax revenues are insufficient to cover these large spending obligations, governments routinely adopt deficit budgets. Deficit spending facilitates capital formation, bridges financial gaps, and accelerates nationwide economic growth, justifying its adoption over balanced budgets.

13. (A) Establish public debt and fiscal deficit targets
The Fiscal Responsibility and Budget Management Act was enacted in 2003 to institutionalize financial discipline and promote sustainable public debt management in India. It mandated multi-year targets for reducing fiscal and revenue deficits. The legislation ensures balanced fiscal management, curbs inflation, reduces public debt obligations, and enhances financial transparency across central government operations over medium-term horizons.

14. (C) 2017
The government discontinued the 92-year-old practice of presenting a separate Railway Budget starting with the 2017–18 Union Budget. Based on the recommendations of a committee headed by Bibek Debroy, the Railway Budget was integrated into the main Union Budget to facilitate holistic policy planning, streamline public expenditure, and eliminate administrative redundancies across transport infrastructure sectors.

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15. (B) I and III only
Capital expenditure refers to government spending that either generates physical or financial assets or causes a reduction in outstanding financial liabilities. Examples include building infrastructure, purchasing equipment, and paying back loan principals. Routine payments such as administrative salaries, pensions, and daily operational costs do not create long-term assets and are categorized under recurring revenue spending.

16. (C) Voting on remaining Demands for Grants en bloc without debate when allotted time expires
In parliamentary procedure, Guillotine refers to the practice where the Speaker puts all remaining unconsidered Demands for Grants to vote together as a single block. This step occurs on the final day allotted for discussing grants, regardless of whether members have debated them, ensuring that the budget process completes within its strict constitutional time limit.

17. (B) 2017-18
The historical distinction between Plan and Non-Plan expenditure was officially removed starting from the 2017–18 Union Budget. This reform followed the recommendations of the C. Rangarajan Committee and the replacement

of the Planning Commission with NITI A. Expenditures are now classified directly as Capital and Revenue expenditure, presenting a clearer view of public asset creation.

18. (A) III, II, IV, I
The parliamentary approval of the budget follows a structured chronological sequence. First, the Finance Minister presents the budget to Parliament. Next, a general discussion takes place in both Houses. After scrutiny by departmental standing committees, the Lok Sabha votes on the Demands for Grants. Finally, the Appropriation Bill is passed to authorize funds from the Consolidated Fund.

19. (A) Interest received on loans given to State Governments
Non-tax revenues comprise government earnings obtained through services, investments, or statutory fees rather than taxation. Interest payments received on loans extended to state governments, statutory administrative fees, and corporate profits or dividends fall into this category. Conversely, direct levies on earnings, sales taxes, corporate profit taxes, and customs duties constitute primary sources of tax revenue.

20. (C) Money Bill
The Finance Bill contains government proposals for imposing, altering, or regulating taxes for the upcoming fiscal year. Because it deals exclusively with tax matters specified under Article 110 of the Constitution, it is introduced in the Lok Sabha as a Money Bill. The Speaker certifies it, giving the Lok Sabha primary authority over its legislative enactment.

21. (A) Borrowing for operational expenses, eroding capital formation
A persistent revenue deficit indicates that current tax and non-tax receipts are insufficient to meet normal administrative expenditures. To fund these regular operational costs, the government must borrow capital. Using borrowed money for consumption rather than asset-building results in financial strain, increases future interest payments, and crowds out resources needed for long-term productive capital formation.

22. (A) P-2, Q-1, R-4, S-3
In public accounting, deficit metrics track distinct financial imbalances. Revenue deficit measures the difference between revenue spending and revenue receipts. Fiscal deficit quantifies total spending minus non-borrowed receipts. Primary deficit isolates current fiscal performance by deducting interest payments from fiscal deficit. Budgetary deficit represents the overall gap between total expenditures and total receipts.

23. (B) External Public Debt
Public debt raised from financial bodies located outside the nation, such as the World Bank, Asian Development Bank, or foreign governments, forms part of external public debt. These financial obligations involve foreign currencies and international terms. Unlike domestic loans, external debt carries exchange rate risks and requires foreign exchange reserves for servicing interest and principal repayments over time.

24. (C) Clear, measurable deliverables and defined performance outcomes
Outcome budgeting goes beyond tracking financial outlays to measure the physical outcomes and tangible benefits delivered to society. Instead of focusing solely on monetary allocations made to various ministries, this approach links spending directly to specific, quantifiable performance targets. It enhances government accountability, ensures efficient resource utilization, and allows objective evaluation of public expenditure impact.

25. (C) I and III only
The Finance Commission of India is a constitutional body established under Article 280 of the Constitution, not a statutory body created by the FRBM Act. It recommends both vertical devolution, which divides tax proceeds between the Centre and States, and horizontal devolution, which distributes the state share among individual states based on defined socio-economic criteria.

26. (A) Non-Debt Capital Receipts
Proceeds from selling public equity stakes in state-owned enterprises generate capital income without creating any future debt repayment liabilities. Because disinvestment reduces public ownership assets rather than creating loans or interest commitments, these transactions are categorized as non-debt capital receipts, distinguishing them from debt-creating instruments such as market loans and treasury bills.

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27. (B) Annual dividend payouts from public sector commercial banks
Income in government accounts is categorized as either tax revenue or non-tax revenue. Direct personal income tax, corporate profit tax, and capital gains tax are compulsory statutory payments levied on income and profits, forming part of tax revenues. In contrast, dividend payouts from public sector commercial banks represent return on financial investments, falling under non-tax revenue receipts.

28. (B) Market Borrowings
Fiscal deficit measures the net borrowing required by the government to bridge its expenditure gap. Mathematically, it is calculated by subtracting non-borrowed receipts—which include tax revenues, non-tax revenues, recovery of loans, and disinvestment proceeds—from total expenditure. Therefore, market borrowings are excluded from total receipts during calculation, as they represent the final deficit value itself.

29. (C) Assertion (A) is true but Reason (R) is false.
Deficit monetization involves the direct expansion of currency by the central bank to fund fiscal gaps. Governments avoid this practice because injecting fresh cash into circulation expands overall money supply and fuels severe demand-pull inflation. Far from causing monetary contraction or economic deflation, printing new currency cheapens money value and destabilizes domestic prices across markets.

30. (C) Defense revenue expenditure alongside debt interest payments
Prior to the 2017 budgetary reform, government outlays were categorized into Plan and Non-Plan expenditures. Non-Plan expenditure covered mandatory administrative spending and routine government obligations that fell outside Five-Year Plans. Major components included interest payments on existing public debt, defense revenue spending, statutory subsidies, and administrative pensions required for routine maintenance of government functions.

31. (D) Revenue Expenditure
Interest payments made on existing internal and external borrowing represent recurring consumption costs incurred for debt servicing. These payments do not result in physical or financial asset creation, nor do they reduce the original principal debt liability. Consequently, all debt servicing interest outlays are recorded under revenue expenditure in the annual budget accounts.

32. (C) Deficit monetization via direct currency creation by the central bank
Deficit monetization involves borrowing directly from the central bank, which prints additional high-powered money to purchase government securities. This direct expansion of currency increases monetary supply without a corresponding increase in real economic output. As excess cash pursues a stable supply of goods, it drives up overall price levels, generating severe inflation across the economy.

33. (B) III only
Revenue and capital classifications reflect asset-liability impacts. Grants-in-aid provided to state governments are legally treated as revenue expenditure because they do not create direct physical assets for the central government, even if states utilize them for asset creation. Statements regarding current financial operations, asset-liability capital transactions, and loan recoveries reflect standard public accounting principles accurately.

34. (D) External Public Debt
Issuing sovereign bonds in overseas financial markets allows a government to raise capital directly from foreign institutional and retail investors. Because these debt obligations are owed to foreign entities and denominated in foreign currencies, they increase the nation's total external public debt rather than domestic borrowings, tax receipts, or foreign direct investments.

35. (A) Non-tax revenue receipts
The Reserve Bank of India transfers its surplus earnings to the central government at the end of each financial accounting year. These earnings stem from investments, currency operations, and interest on holdings. Because these transfers represent investment income without involving tax levies or generating public repayment liabilities, they are categorized under non-tax revenue receipts.

36. (C) Completing legislative approval before the April 1 fiscal start
Advancing the Union Budget presentation to February 1 gives Parliament sufficient time

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to debate and enact the Finance Bill and Appropriation Bill before the new fiscal year starts on April 1. This operational change eliminates the need for an interim Vote-on-Account approval, allowing government departments to execute capital projects immediately from April.

37. (A) Primary Deficit
The primary deficit isolates current fiscal performance by deducting interest payments on past loans from the overall fiscal deficit. Because interest payments represent debt commitments incurred by previous administrations, removing them reveals the true gap between current spending and receipts, serving as the standard indicator of the government's present fiscal management stance.

38. (A) P-3, Q-4, R-2, S-1
Budgetary terminology covers essential legal and economic functions. Disinvestment refers to selling public enterprise shares. Deficit financing covers financial gaps via central bank borrowing or debt issuance. The Finance Bill contains legislative tax proposals. The Appropriation Bill provides legal authorization to withdraw public funds from the Consolidated Fund of India for spending.

39. (B) Revenue Expenditure
Subsidies provided on essential items like food, fertilizer, and petroleum represent recurring financial spending that supports societal welfare and price stability. Because these statutory transfer payments do not result in the creation of physical assets or the reduction of financial liabilities, they are categorized entirely under revenue expenditure in annual budget accounting.

40. (A) Issue of circular by Finance Ministry → Ministries submit estimates → Pre-budget meetings → Consolidation by Finance Ministry → Cabinet approval
The budget preparation sequence follows an established administrative procedure. It begins with the Finance Ministry issuing circulars and guidance forms to spending ministries. Ministries submit their expenditure projections, followed by pre-budget discussions to reconcile funding demands. The Finance Ministry consolidates these figures into the budget document, which receives Cabinet approval before parliamentary submission.

41. (D) Matching estimated revenues with actual outlays is nearly impossible
A balanced budget requires total actual receipts to match total government expenditures precisely. In complex modern economies, dynamic macroeconomic variables such as changing tax compliance rates, economic fluctuations, commodity price shifts, and unanticipated welfare spending make exact alignment practically impossible. Consequently, governments routinely record either fiscal deficits or financial surpluses during execution.

42. (A) Finance Bill
Under Article 110 of the Constitution, any legislative proposal regarding the imposition, abolition, remission, alteration, or regulation of taxes must be introduced through the Finance Bill. Accompanying the Union Budget annually, this Money Bill gives legal effect to government tax proposals and structural revenue modifications for the upcoming financial year.

43. (B) Dividend distributions received from public sector enterprises
Capital receipts either increase financial liabilities or decrease government assets. Issuing treasury bills creates a debt obligation, loan repayments reduce financial claims, and IMF credit lines increase liabilities, placing them under capital receipts. In contrast, dividend distributions received from public sector enterprises represent non-tax revenue earnings, which leave asset bases and total liabilities completely unchanged.

44. (B) The fiscal deficit equals interest payments on previous borrowing
Primary deficit is defined as the fiscal deficit minus interest payments on accumulated debt. When the primary deficit equals zero, it indicates that the total fiscal deficit is equal to the government's interest liabilities. This implies that all fresh borrowings raised during the current financial year are utilized entirely to service past debt obligations.

45. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Capital expenditure involves creating physical infrastructure, building productive assets, or reducing debt obligations. Unlike revenue spending, which funds routine administrative consumption, capital spending enhances economic capacity, generates employment, and

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boosts long-term GDP growth. Therefore, capital outlay is considered more beneficial for economic development, directly justifying the assertion that it supports sustained long-term growth.

46. (C) An Appropriation Act
Article 114(3) of the Constitution mandates that no money shall be withdrawn from the Consolidated Fund of India except under an appropriation made by law. Following the voting on Demands for Grants in the Lok Sabha, Parliament must pass the Appropriation Bill, which becomes an Appropriation Act after presidential assent, authorizing legal expenditure.

47. (D) Peter Phyrr
Zero-based budgeting was developed by Peter Pyhrr in the late 1960s while working at Texas Instruments. The concept gained widespread recognition when Jimmy Carter, as Governor of Georgia and later as US President, implemented it in public sector budgeting. This method requires every operational item to be justified afresh, starting from a base of zero.

48. (A) I and II only
The Revenue Budget covers current, recurring financial operations that do not create physical assets or alter liabilities. In contrast, the Capital Budget manages long-term infrastructure investments, asset acquisition, and debt creation or repayment. Defense capital outlays involve purchasing heavy equipment and weapons systems, placing them strictly under the Capital Budget rather than Revenue Budget.

49. (B) The distribution of the states' share of taxes among the individual states
In fiscal federalism, horizontal devolution refers to allocating the pool of divisible central taxes among individual state governments. The Finance Commission establishes mathematical criteria using socio-economic indicators such as population, demographic performance, income distance, and forest cover to determine each state's proportionate financial share from the total state resource pool.

50. (D) Defense Capital Expenditure
Expenditure spent on purchasing defense hardware, fighter jets, naval vessels, and heavy military machinery results in long-term asset creation for national security. Because these strategic government investments create durable physical assets rather than recurring administrative expenses, they are classified strictly under defense capital expenditure in annual Union Budget public accounts.

51. (A) Internal Public Debt
Treasury Bills are short-term money market debt instruments issued directly by the central government to manage temporary liquidity mismatches within domestic markets. Because these government instruments create repayment liabilities owed to domestic commercial banks and institutional investors in national currency, they constitute an integral component of overall internal public debt.

52. (A) P-3, Q-4, R-1, S-2
Standard public budgetary items fall into distinct financial classifications based on asset-liability impacts. Government employee salaries represent administrative spending, qualifying as revenue expenditure. Spectrum auction proceeds yield non-tax revenue receipts. Repayment of loan principal lowers sovereign liabilities, representing capital expenditure. Market borrowings create future debt repayment obligations, forming debt-creating capital receipts.

53. (A) Total Spending minus (Revenue Receipts + Non-debt Capital Receipts)
Fiscal deficit measures the net borrowing required by the government during a financial year. It is defined as total government spending minus non-debt revenues. Non-debt revenues comprise revenue receipts together with non-debt capital receipts, such as loan recoveries and disinvestment proceeds. This difference quantifies the precise fresh financial obligation needed to finance state operations.

54. (C) Article 113
Article 113 of the Constitution governs the procedure regarding estimates in Parliament. It mandates that expenditure estimates included in the Annual Financial Statement, other than charged expenditure, must be submitted to the Lok Sabha in the form of Demands for Grants. The Lok Sabha possesses exclusive constitutional power to assent, refuse, or reduce these demands.

55. (B) Hyperinflation driven by excessive aggregate economic demand
A surplus budget acts as a contractionary fiscal policy tool by drawing more purchasing

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power out of the economy through taxes than it injects through expenditure. During economic overheating or severe demand-pull hyperinflation, governments adopt surplus budgeting to curb aggregate demand, cool market spending, and stabilize escalating consumer prices across the macroeconomic environment.

56. (B) II, III and IV only
Internal public debt comprises sovereign liabilities incurred within domestic borders payable in domestic currency. Domestic savings instruments like National Savings Certificates, Sovereign Gold Bonds, and dated market securities draw capital from domestic financial markets. Conversely, multilateral loans from institutions like the Asian Development Bank represent external borrowing, as they are sourced from foreign credit channels.

57. (D) Non-Tax Revenue
Receipts generated from government user charges, mining royalties, regulatory license fees, and telecom spectrum usage fees represent non-tax revenue. These collections are derived from administrative fees, service charges, and commercial resource rights rather than compulsory statutory taxation on income or commodities. They provide recurring receipts without creating any sovereign public debt obligations.

58. (A) III, I, IV, II
Arriving at the Primary Deficit involves a systematic mathematical sequence. First, total government expenditure is calculated. Second, total non-borrowed receipts, comprising revenue receipts and non-debt capital receipts, are determined. Third, subtracting these receipts from total expenditure yields the fiscal deficit. Finally, deducting interest payments from fiscal deficit gives the primary deficit.

59. (B) External Public Debt
Loans secured through bilateral development agreements with foreign governments, such as Japan, constitute external public debt. These funds originate outside domestic financial jurisdictions and are repaid in foreign currencies. Consequently, they involve foreign exchange risks and feature among international public liabilities rather than internal market borrowings or non-repayable foreign grant receipts.

60. (B) Higher reliance on market loans or deficit financing
A high fiscal deficit reflects a substantial budget gap between government spending and non-borrowed revenue receipts. To cover this financial shortfall, the government must rely heavily on market borrowings, treasury bill issuances, or deficit financing. Accumulating such financial liabilities increases public debt, elevates future interest servicing burdens, and impacts long-term macroeconomic stability.

61. (B) 14 days
Under Article 109 of the Constitution of India, a Money Bill, such as the Finance Bill, can only be introduced in the Lok Sabha. Once passed by the Lok Sabha, it is transmitted to the Rajya Sabha, which must return the bill with its recommendations within a strict maximum time frame of 14 days.

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62. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Achieving a zero revenue deficit signifies that the government generates enough tax and non-tax revenues to meet its daily operational expenditures. This ensures that borrowed capital is not diverted toward administrative consumption, leaving all public borrowing available for productive asset creation. Therefore, maintaining a zero revenue deficit promotes sustainable fiscal management and long-term stability.

63. (D) Non-debt Capital Receipt
Recovery of past loans extended to state governments reduces government financial assets while generating capital inflows. Because recovering principal loan amounts does not create fresh public debt obligations or borrowing liabilities, these receipts are classified as non-debt capital receipts, distinguishing them from revenue income and debt-creating capital receipts such as market loans.

64. (C) Under Non-Tax Revenue as dividends
When state-owned public sector undertakings generate net operational profits and distribute dividend payouts to the central government, these earnings are categorized under non-tax revenue receipts. Because these payouts represent direct investment returns on government capital holdings, they provide non-repayable income

without involving compulsory taxation or altering national debt liabilities.

65. (B) Deficit Monetization
Deficit monetization occurs when the government directly borrows money from the central bank to fund its fiscal shortfall by issuing ad-hoc treasury bills or securities. This mechanism increases primary liquidity as the central bank creates new money to purchase government debt, leading to an expansion in monetary base and potential inflationary pressures.

66. (D) Tracking end outcomes and physical deliverables of expenditures
While zero-based budgeting requires government departments to justify every line item of proposed financial spending, outcome budgeting emphasizes evaluating tangible real-world results. It links financial allocations to clear physical targets and socio-economic outcomes, tracking whether funded public initiatives achieve intended benefits rather than simply monitoring monetary expenditure progress across public sectors.

67. (A) I and II only
Under constitutional procedures, the Finance Minister presents the annual budget to the Lok Sabha on a date designated by the President. Demands for Grants are submitted and voted upon exclusively in the Lok Sabha. The Rajya Sabha only conducts general discussions and has no power to reject or amend the Appropriation Bill.

68. (C) Current spending exceeds current recurring revenues
A revenue deficit mathematically signifies that government recurring revenue expenditures exceed combined tax and non-tax revenue receipts. This imbalance reflects government dissaving, indicating that current operational spending on administration, debt interest, and subsidies cannot be sustained by ordinary recurring income, forcing the state to borrow to cover daily administrative operational consumption.

69. (A) Total Revenue Expenditure - Total Revenue Receipts
The revenue deficit is calculated by deducting total revenue receipts from total revenue expenditure. This formula measures the excess of current operational outlays over net non-debt recurring income. A positive revenue deficit indicates that government receipts fail to cover routine expenditure, highlighting fiscal stress and requiring public debt to meet daily administrative expenses.

70. (C) Enactment of FRBM Act → Shifting of Budget presentation to Feb 1 & Merger of Railway and General Budget
Significant budgetary reforms in India occurred in chronological order. The Fiscal Responsibility and Budget Management Act was passed in 2003 to ensure fiscal discipline. Later, in 2017, the Union Government implemented two structural reforms simultaneously: moving the budget presentation date to February 1 and integrating the Railway Budget into the Union Budget.

71. (B) Capital formation and idle resource mobilization
In a developing economy, deficit budgeting enables the government to fund infrastructure development, industrial projects, and energy networks that exceed current tax earnings. By deploying deficit financing toward capital projects, the government mobilizes unutilized economic resources, stimulates private investment, and builds physical assets that promote long-term productive capacity and economic growth.

72. (B) I and III only
Tax revenue consists of compulsory payments levied by the government on income, profits, transactions, and goods. Customs duties and corporate taxes represent major tax revenues. Conversely, interest earnings on government loans and administrative license fees represent non-tax revenue, as they are collected from investments and services rather than through statutory taxation.

73. (D) External debt incurs currency risks and foreign exchange repayment liabilities
External public debt is raised from foreign institutions, overseas governments, or international financial markets, whereas internal debt is raised within domestic borders. Because external debt is denominated in foreign currencies, it exposes the borrowing nation to exchange rate fluctuations and requires foreign currency reserves for interest servicing and loan principal repayments.

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74. (A) The Lok Sabha may accept or reject recommendations
Under Article 109 of the Constitution, when a Money Bill like the Finance Bill is transmitted to the Rajya Sabha, the Upper House may suggest amendments within 14 days. However, the Lok Sabha retains full legislative power to either accept or reject any or all of these recommendations without requiring joint parliamentary concurrence.

75. (B) Payment of subsidies for rural electrification
Capital expenditure involves creating physical or financial assets or reducing loan principal liabilities. Building hospitals, acquiring institutional equity, and repaying loan principals represent capital spending because they alter asset or liability balances. In contrast, rural electrification subsidy payments represent recurring welfare transfers, placing them under revenue expenditure rather than capital expenditure.

76. (B) Primary Deficit
The primary deficit measures current fiscal deficit minus interest payments on past borrowing. Because interest obligations are determined by debt accumulated under previous administrations, removing them isolates current fiscal performance. Analyzing the primary deficit allows economists to evaluate the fiscal discipline and financial management of the sitting government without distorted effects from legacy public debt.

77. (A) Internal Public Debt
Funds deposited in small savings instruments like Public Provident Fund and National Savings Certificates are credited to the Public Account of India under Article 266(2). Because the government acts as a custodian and holds a legal liability to repay these deposits with interest, these collections form part of the government's internal public debt liabilities.

78. (A) P-4, Q-3, R-1, S-2
Fiscal indicators signify distinct economic implications. A rising revenue deficit implies borrowing to meet daily operational spending. A zero primary deficit means gross borrowing equals interest commitments on past debt. High capital expenditure reflects expanded physical asset creation. Increased market borrowing reflects a higher fiscal deficit, which risks crowding out private investment in financial markets.

79. (D) Moving cut motions to reduce the proposed grant amounts
During the General Discussion stage of the budget in Parliament, members discuss broad economic policy and financial principles of the budget. However, no motions can be moved, nor can the budget be submitted to vote at this stage. Moving Cut Motions to reduce specific grant amounts is strictly permitted only during the subsequent Voting on Demands for Grants stage.

80. (C) Capital Expenditure
Allocating budgetary funds for constructing physical infrastructure, such as new railway corridors, generates long-term productive assets for the national economy. Because this spending creates durable physical assets and expands transport capacity rather than funding routine administrative consumption, it is categorized under capital expenditure in annual Union Budget national accounting records.

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CHAPTER 02
Banking System

1. The Indian banking system comprises various types of institutions. Which of the following best describes the fundamental difference between scheduled and non-scheduled commercial banks in India?
(A) Scheduled banks are government-owned, while non-scheduled banks are completely privately owned.
(B) Scheduled banks are listed in the Second Schedule of the RBI Act, 1934, whereas non-scheduled banks are not.
(C) Scheduled banks can issue currency notes, whereas non-scheduled banks cannot.
(D) Scheduled banks operate only in urban areas, whereas non-scheduled banks operate exclusively in rural areas.

2. The Reserve Bank of India (RBI) performs multiple core functions in the Indian economy. Which of the following is NOT one of the traditional functions of the RBI?
(A) Acting as the lender of last resort to commercial banks.
(B) Managing the public debt of the Government of India.
(C) Formulating and implementing monetary policy.
(D) Accepting demand deposits from the general public.

3. Under the Banking Regulation Act, 1949, the Reserve Bank of India holds extensive regulatory powers over commercial banks. Which specific section of this Act empowers the RBI to issue licenses to entities to commence banking business in India?
(A) Section 11
(B) Section 22
(C) Section 35
(D) Section 42

4. The Repo Rate is a crucial policy tool used by the Reserve Bank of India. In the context of monetary policy operations, what does the Repo Rate specifically signify?
(A) The rate at which commercial banks lend long-term capital to corporate entities.
(B) The rate at which the RBI borrows funds from commercial banks without collateral.
(C) The rate at which the RBI lends short-term funds to commercial banks against approved securities.
(D) The mandatory percentage of deposits banks must keep as cash with the RBI.

5. In the framework of the Reserve Bank of India's Liquidity Adjustment Facility (LAF), the reverse repo rate serves a specific macroeconomic purpose. Which of the following statements most accurately describes this purpose?
(A) It is utilized by the RBI to absorb excess liquidity from the banking system.
(B) It is used to inject emergency liquidity into banks facing a sudden bank run.
(C) It dictates the minimum interest rate commercial banks can offer to retail depositors.
(D) It determines the penalty rate for banks failing to meet Priority Sector Lending targets.

6. If the Reserve Bank of India observes rising inflationary pressures in the economy and decides to adopt a tight monetary policy, which of the following actions regarding the Cash Reserve Ratio (CRR) is it most likely to implement?
(A) Decrease the CRR to encourage commercial banks to expand their credit creation and lending.
(B) Abolish the CRR requirement temporarily to ease liquidity stress across commercial banks.
(C) Maintain the CRR but strictly mandate higher dividend payouts by commercial banking entities.
(D) Increase the CRR to reduce loanable funds available with commercial banks.

7. Commercial banks in India are required to maintain a Statutory Liquidity Ratio (SLR). Which of the following assets are primarily

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eligible for banks to maintain this mandatory reserve?
(A) Equity shares and debt instruments issued by top-tier private corporate entities.
(B) Cash, gold, and unencumbered approved government securities.
(C) Commercial real estate holdings and physical infrastructure assets of the bank.
(D) Foreign currency demand deposits held in overseas branches of domestic banks.

8. Consider the following statements regarding Public Sector Banks (PSBs) in India:
I. The Government of India holds a minimum of 51 percent shareholding in these banks.
II. State Bank of India is the largest public sector bank in the country by asset size.
III. PSBs are strictly prohibited from raising any capital from the public equity markets.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

9. In the context of the Indian banking structure, identify the odd one out based on ownership classification.
(A) HDFC Bank
(B) ICICI Bank
(C) Axis Bank
(D) Canara Bank

10. The nationalization of commercial banks in India occurred in two major waves. During the first wave in 1969, how many major commercial banks were nationalized, and what was the minimum deposit criterion for their selection?
(A) 10 banks with deposits over Rs. 20 crores
(B) 14 banks with deposits over Rs. 50 crores
(C) 14 banks with deposits over Rs. 100 crores
(D) 20 banks with deposits over Rs. 200 crores

11. The nationalization of banks in 1969 and 1980 was driven by the philosophy of 'social banking'. Which of the following was the most direct positive impact of this policy shift in the immediate subsequent decades?
(A) Complete elimination of non-performing assets in the banking sector.
(B) Massive expansion of bank branches in rural and unbanked areas.
(C) Drastic reduction in the operational costs and staff strength of banks.
(D) Immediate privatization of loss-making manufacturing industries.

12. The following statements are related to the banking system in India:
Assertion (A): Regional Rural Banks (RRBs) were established in 1975 to provide specialized credit facilities to rural regions.
Reason (R): Commercial banks at the time were largely urban-centric and lacked the localized approach required for rural agricultural lending.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

13. The rural cooperative credit structure in India, which provides short-term and medium-term credit, typically operates on a three-tier system. Which institution operates at the district level in this structure?
(A) District Central Cooperative Bank
(B) Primary Agricultural Credit Society
(C) State Cooperative Bank
(D) Regional Rural Bank

14. Payment Banks were introduced by the RBI in 2014 to advance financial inclusion. Which of the following activities is a Payment Bank explicitly prohibited from undertaking?
(A) Issuing ATM and debit cards to its customers.
(B) Offering mobile banking and internet banking services.
(C) Issuing credit cards and advancing standard loans.
(D) Accepting demand deposits up to a specified regulatory limit.

15. Consider the following statements regarding Small Finance Banks (SFBs) in India:
I. They are set up to provide basic banking activities to unserved and underserved sections including small farmers and MSMEs.
II. Unlike Payment Banks, Small Finance Banks are permitted to undertake lending activities.
III. They are required to extend exactly 40 percent of their Adjusted Net Bank Credit to the priority sector.
IV. At least 50 percent of their loan portfolio must constitute loans and advances of up to Rs. 25 lakh.

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Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, II and IV only
(C) II, III and IV only
(D) I, III and IV only

16. Non-Banking Financial Companies (NBFCs) play a significant role in India's financial system but differ from commercial banks in several ways. Which of the following is a correct statement highlighting a key difference between them?
(A) NBFCs are legally permitted to accept demand deposits directly from retail public customers.
(B) NBFCs operate as completely unregulated financial entities outside the Reserve Bank of India framework.
(C) NBFCs do not form part of the payment system and cannot issue cheques drawn on themselves.
(D) NBFCs are strictly prohibited and penalized for providing term credit to infrastructure projects.

17. The accumulation of Non-Performing Assets (NPAs) has been a persistent issue for Indian banks. Which of the following accurately describes the concept of a "wilful defaulter"?
(A) A borrower who defaults due to sudden global macroeconomic shocks despite having genuine intent to pay.
(B) A borrower who has the capacity to repay but intentionally defaults on payment obligations.
(C) A borrower whose business faced genuine technical failure leading to an inability to service the debt.
(D) A bank employee who inadvertently approves a loan application missing critical documentation.

18. To address the heavy burden of legacy Non-Performing Assets on bank balance sheets, the Government of India supported the creation of a 'Bad Bank'. What is the formal name of the entity incorporated primarily to aggregate and resolve these large stressed assets?
(A) National Payments Corporation of India (NPCI)
(B) Deposit Insurance and Credit Guarantee Corporation (DICGC)
(C) Infrastructure Leasing & Financial Services (IL&FS)
(D) National Asset Reconstruction Company Limited (NARCL)

19. Significant banking sector reforms in India post-1991 were initiated based on the comprehensive recommendations of a high-level committee. Who chaired this pivotal committee on the financial system?
(A) M. Narasimham
(B) Urjit Patel
(C) Raghuram Rajan
(D) C. Rangarajan

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20. Match List I with List II and select the correct answer:

List I: Institutions/Entities
P. Reserve Bank of India
Q. National Payments Corporation of India
R. Small Finance Banks
S. Asset Reconstruction Companies

List II: Key Focus/Function
1. Aggregation and resolution of non-performing assets
2. Apex monetary and banking regulatory authority
3. Retail digital payment infrastructure and settlement
4. Credit and deposit facilities specifically targeting micro-enterprises and small farmers

(A) P-2, Q-3, R-4, S-1
(B) P-2, Q-4, R-3, S-1
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-3, R-2, S-4

21. The Pradhan Mantri Jan Dhan Yojana (PMJDY) is a flagship scheme for financial inclusion. Which of the following is NOT a core feature of the accounts opened under this scheme?
(A) They mandate an immediate Rs. 10,000 upfront deposit to activate the account.
(B) They are designed as zero-balance accounts requiring no mandatory minimum deposit balance.
(C) They provide a basic RuPay debit card facility to every primary account holder.
(D) They offer a built-in comprehensive personal accident insurance cover for holders.

22. In the domain of digital banking in India, what does the widely used real-time payment system UPI stand for?
(A) Universal Payment Infrastructure
(B) United Processing Interface
(C) Universal Priority Interbank

(D) Unified Payments Interface

23. The Insolvency and Bankruptcy Code (IBC) was enacted in 2016 to consolidate laws relating to reorganization and insolvency resolution. What is a defining characteristic of the corporate insolvency resolution process under the IBC?
(A) It permanently prevents banks from recovering any debt from defaulting companies.
(B) It enforces a strict, time-bound mechanism for resolving insolvency.
(C) It mandates that all non-performing assets be automatically written off after 90 days.
(D) It transfers the ownership of all defaulting companies directly to the Reserve Bank of India.

24. The Basel III norms are international regulatory standards adopted to strengthen bank capital requirements. Which of the following is an exception and NOT one of the three foundational pillars of the Basel III framework?
(A) Minimum Capital Requirements and Reserve Ratios
(B) Supervisory Review Process for Risk Management
(C) Universal Basic Income Guarantee
(D) Market Discipline and Financial Disclosure Standards

25. Which of the following represents the correct chronological order of the establishment or occurrence of these major banking milestones in India?
(A) Nationalization of 14 Banks, Establishment of Regional Rural Banks, Origin of Payment Banks, Enactment of Insolvency and Bankruptcy Code
(B) Establishment of Regional Rural Banks, Nationalization of 14 Banks, Enactment of Insolvency and Bankruptcy Code, Origin of Payment Banks
(C) Nationalization of 14 Banks, Origin of Payment Banks, Establishment of Regional Rural Banks, Enactment of Insolvency and Bankruptcy Code
(D) Establishment of Regional Rural Banks, Origin of Payment Banks, Nationalization of 14 Banks, Enactment of Insolvency and Bankruptcy Code

26. Priority Sector Lending (PSL) mandates that banks allocate a specific portion of their lending to crucial sectors. What is the standard PSL target for domestic commercial banks as a percentage of their Adjusted Net Bank Credit (ANBC)?
(A) 18 percent
(B) 25 percent
(C) 40 percent
(D) 75 percent

27. In the mega-merger of public sector banks that took effect in April 2020, various banks were consolidated to form larger, stronger institutions. In this context, which bank functioned as the anchor bank into which Oriental Bank of Commerce and United Bank of India were merged?
(A) State Bank of India
(B) Punjab National Bank
(C) Bank of Baroda
(D) Canara Bank

28. Consider the following statements regarding the Monetary Policy tools of the RBI:
I. A hike in the Repo Rate generally leads to an increase in the lending rates of commercial banks.
II. The Reverse Repo Rate is typically kept higher than the Repo Rate to encourage banks to deposit funds with the RBI.
III. Changes in the Cash Reserve Ratio impact the credit creation capacity of commercial banks.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

29. Under the structure of the Indian banking system, non-scheduled banks are those that are not included in the Second Schedule of the Reserve Bank of India Act, 1934. What condition typically disqualifies a bank from being listed in this schedule?
(A) Having a paid-up capital and aggregate reserves of less than Rs. 5 lakhs.
(B) Operating exclusively within the geographic boundaries of a single metropolitan city.
(C) Focusing predominantly on providing micro-finance loans to low-income retail clients.
(D) Failing to fully implement and deploy a modernized core banking technology solution.

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30. The Reserve Bank of India is the sole authority for issuing currency notes in the country. However, one specific denomination of currency is an exception, as it is issued by the Ministry of Finance, Government of India. Identify this exception.
(A) Ten Rupee Note
(B) Five Rupee Coin
(C) One Rupee Note
(D) Twenty Rupee Note

31. Under its supervisory powers, the RBI periodically conducts on-site inspections of commercial banks. This robust supervisory power is primarily derived from which legislation?
(A) Companies Act, 2013
(B) Foreign Exchange Management Act, 1999
(C) Securities and Exchange Board of India Act, 1992
(D) Banking Regulation Act, 1949

32. The following statements are related to macroeconomic regulation by the RBI:
Assertion (A): During periods of high inflation, the Reserve Bank of India typically increases the Repo Rate.
Reason (R): Increasing the Repo Rate makes borrowing cheaper for commercial banks, thereby increasing the money supply in the economy.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

33. The Cash Reserve Ratio (CRR) requires banks to maintain a certain percentage of their deposits with the RBI. Based on current regulatory frameworks, what is the interest paid by the RBI to commercial banks on these mandatory CRR balances?
(A) It is equal to the prevailing Repo Rate.
(B) The RBI does not pay any interest on CRR balances.
(C) It is set at a fixed rate of 4 percent per annum.
(D) It varies dynamically based on the inflation index.

34. While both CRR and SLR are liquidity control tools, they function differently. Which of the following is the most accurate distinction between the Cash Reserve Ratio (CRR) and the Statutory Liquidity Ratio (SLR)?
(A) CRR is maintained exclusively in physical gold reserves, whereas SLR must be maintained purely in liquid cash.
(B) SLR applies exclusively to private sector commercial banks, whereas CRR applies only to public sector banks.
(C) CRR primarily restricts long-term commercial credit expansion, whereas SLR restricts short-term interbank borrowing.
(D) CRR balances are deposited with the RBI, while SLR assets are held by banks themselves.

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35. Consider the following statements concerning Regional Rural Banks (RRBs):
I. They were created based on the recommendations of the Narasimham Working Group in 1975.
II. The ownership equity of an RRB is divided between the Central Government, State Government, and the Sponsor Bank.
III. The Central Government holds exactly 50 percent of the share capital in an RRB.
IV. RRBs are completely exempt from maintaining Cash Reserve Ratio and Statutory Liquidity Ratio.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I, II and IV only
(D) I, III and IV only

36. Foreign banks operate in India either through a branch model or as Wholly Owned Subsidiaries (WOS). What is a primary regulatory advantage the RBI gains when foreign banks operate as Wholly Owned Subsidiaries rather than just branches?
(A) Foreign bank subsidiaries are completely exempt from fulfilling local priority sector lending targets.
(B) Operations of foreign bank subsidiaries fall exclusively under the legal jurisdiction of their home country regulators.
(C) The RBI achieves greater supervisory control and ring-fences local operations from parent global shocks.
(D) Foreign bank subsidiaries are mandatorily forced to allocate credit exclusively to domestic infrastructure projects.

37. During the second major wave of bank nationalization in April 1980, six more commercial banks were brought under government control. What was the defining criterion for selecting these six banks?
(A) Demand and time liabilities exceeding Rs. 100 crores
(B) Demand and time liabilities exceeding Rs. 200 crores
(C) Highest number of non-performing assets in the sector
(D) Operational presence in more than 15 Indian states

38. The post-nationalization era witnessed targeted lending to previously neglected sectors of the economy. Which specific structural mechanism was aggressively implemented by the RBI to institutionalize this directed credit?
(A) Abolition of the repo rate
(B) Introduction of crypto-assets
(C) Implementation of full capital account convertibility
(D) Priority Sector Lending (PSL) targets

39. In the three-tier structure of short-term cooperative credit, which entity functions at the grassroots village level, directly interfacing with the farmers?
(A) State Cooperative Bank operating as the apex institution at the state level
(B) Primary Agricultural Credit Society (PACS) operating at the village level
(C) District Central Cooperative Bank operating at the intermediate district level
(D) Regional Rural Bank sponsored jointly by commercial banks and government

40. Match List I with List II and select the correct answer:
List I: Banking Rates & Ratios
P. Repo Rate
Q. Reverse Repo Rate
R. Cash Reserve Ratio (CRR)
S. Statutory Liquidity Ratio (SLR)
List II: Key Definitions
1. Liquid assets (like G-secs) banks must maintain internally as a percentage of NDTL.
2. Percentage of NDTL banks must deposit as cash with the RBI.
3. Interest rate at which RBI absorbs liquidity from banks.
4. Interest rate at which RBI lends short-term funds to banks.
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-2, R-4, S-3

41. Payment banks represent a differentiated banking model in India. Airtel Payments Bank was the first such entity to commence operations. Which of the following customer segments is the primary target for Payment Banks?
(A) Large conglomerate corporate houses requiring complex syndicated commercial loans
(B) High-net-worth individual investors requiring specialized private wealth management
(C) Foreign institutional equity investors actively trading in domestic capital markets
(D) Migrant labourers, low-income households, and unorganized small business units.

42. Small Finance Banks are expected to deeply penetrate the micro-credit market. Consequently, they are subjected to a rigorous Priority Sector Lending (PSL) target. What percentage of their Adjusted Net Bank Credit must SFBs allocate to priority sectors?
(A) 25 percent
(B) 40 percent
(C) 50 percent
(D) 75 percent

43. Non-Banking Financial Companies (NBFCs) form a vital part of India's 'shadow banking' sector. While NBFCs provide credit similar to banks, why do regulatory authorities view the shadow banking sector with caution?
(A) Because NBFCs operate by offering commercial credit to all borrowers at exactly zero percent interest rates.
(B) Because NBFCs face asset-liability mismatches without direct access to RBI lender-of-last-resort liquidity support.
(C) Because NBFCs are legally restricted to providing financial credit exclusively to foreign corporate clients.
(D) Because NBFCs are explicitly mandated by statutory regulations to hold all assets strictly in real estate properties.

44. A major cause of Non-Performing Assets (NPAs) in the previous decade was the "Twin Balance Sheet" problem. Which two distinct entities were

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characterized as having stressed balance sheets under this phenomenon?
(A) Commercial Banking Institutions and the Reserve Bank of India regulatory authority
(B) Stressed Public Sector Banks and Overleveraged Corporate Entities
(C) Non-Banking Financial Companies and Overindebted Retail Household Borrowers
(D) Central Government Ministry of Finance and various State Governments

45. Arrange the following events related to the evolution of the Indian banking and regulatory landscape in chronological order:
I. Enactment of the Insolvency and Bankruptcy Code (IBC)
II. Nationalization of 14 major commercial banks
III. Introduction of the Unified Payments Interface (UPI)
IV. Establishment of the M. Narasimham Committee on Financial System
(A) II, IV, III, I
(B) II, IV, I, III
(C) IV, II, III, I
(D) II, I, IV, III

46. Asset Reconstruction Companies (ARCs) play a specialized role in NPA resolution. Which of the following most accurately describes the core function of an ARC?
(A) Providing fresh long-term working capital financing to fundamentally strong but temporarily liquidity-distressed commercial entities.
(B) Acting as the supreme adjudicating judicial body empowered to formally declare defaulting corporate entities bankrupt.
(C) Purchasing non-performing assets from banks to attempt their resolution, restructuring, or asset recovery.
(D) Structuring and issuing new sovereign debt instruments specifically to recapitalize undercapitalized public sector commercial banks.

47. The Narasimham Committee II (1998) focused heavily on structural banking reforms. Which of the following was a prominent recommendation of this specific committee regarding bank consolidation?
(A) Merging every operating public sector bank into a single monolithic nationalized banking institution across the country.
(B) Completely reversing the nationalization policy and immediately privatizing all state-owned public sector commercial banks.
(C) Enacting a total ban on foreign commercial banking institutions operating branches anywhere within Indian territory.
(D) Creating strong 'mega banks' by merging large public sector banks to enhance global competitiveness.

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48. Consider the following statements regarding the RuPay card network:
I. It was launched by the National Payments Corporation of India (NPCI).
II. It is an indigenous payment network created to reduce dependence on international card schemes.
III. It cannot be used at any Automated Teller Machine (ATM) outside the territory of India.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

49. Digital banking in India received a massive boost with the introduction of real-time account-to-account transfer mechanisms. In which year was the Unified Payments Interface (UPI) officially launched for public use by the NPCI?
(A) 2010
(B) 2014
(C) 2016
(D) 2020

50. Under the framework of the Insolvency and Bankruptcy Code (IBC) 2016, which specialized tribunal acts as the primary Adjudicating Authority for corporate insolvency resolution matters?
(A) Debt Recovery Tribunal (DRT) handling debt recovery suits
(B) Securities Appellate Tribunal (SAT) handling market appeals
(C) Competition Commission of India (CCI) market regulator
(D) National Company Law Tribunal (NCLT)

51. The Basel III norms mandate strict capital standards for banking institutions. In this context, what does the Capital Adequacy Ratio (CAR) primarily measure?
(A) The ratio of a bank's capital to its risk-

weighted assets.
(B) The ratio of a bank's rural branches to its urban branches.
(C) The ratio of total deposits mobilized to total loans disbursed.
(D) The ratio of non-performing assets to performing assets.

52. The following statements focus on Priority Sector Lending:
Assertion (A): The Reserve Bank of India mandates banks to lend a specific portion of their funds to sectors like agriculture and MSMEs.
Reason (R): These sectors are inherently highly profitable and present the lowest credit risk compared to large corporate lending.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

53. Bank consolidation has been a key strategy for the government to create global-sized banks. In which year did the State Bank of India (SBI) effectively merge with its five associate banks and the Bharatiya Mahila Bank?
(A) 2015
(B) 2017
(C) 2019
(D) 2021

54. Cooperative banks have historically faced the problem of "dual control" regarding their regulation and management. Which two entities primarily exercised this overlapping regulatory authority over urban cooperative banks before recent legislative amendments tightened RBI's control?
(A) The Reserve Bank of India alongside the Securities and Exchange Board of India managing capital operations.
(B) The Union Ministry of Finance along with the National Bank for Agriculture and Rural Development (NABARD).
(C) The State Bank of India acting as sponsor together with executive departments of the respective State Government.
(D) The RBI and the Registrar of Cooperative Societies of the respective state or central government.

55. Consider the following statements regarding the RBI's role as the "Banker to the Government":
I. It manages the banking needs of the Central Government.
II. It is legally bound to manage the banking operations of all State Governments by default, without needing specific agreements.
III. It facilitates the issue of new sovereign loans and manages the public debt.
IV. It provides Ways and Means Advances (WMA) to governments to bridge temporary mismatches in receipts and payments.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

56. When a commercial bank's financial health deteriorates below critical thresholds (capital, asset quality, or profitability), the RBI places it under a specialized supervisory framework that restricts certain activities. What is the name of this framework?
(A) Asset Reconstruction Mechanism (ARM)
(B) Corporate Debt Restructuring (CDR)
(C) Prompt Corrective Action (PCA)
(D) Minimum Capital Requirement Framework (MCRF)

57. The Repo Rate is determined by a dedicated committee that aims to maintain price stability while keeping in mind the objective of growth. What is the designated size of this Monetary Policy Committee (MPC) in India?
(A) 3 members
(B) 5 members
(C) 6 members
(D) 9 members

58. Before the introduction of the Standing Deposit Facility (SDF), which specific rate constituted the lower bound of the Liquidity Adjustment Facility (LAF) corridor managed by the RBI?
(A) Reverse Repo Rate
(B) Bank Rate
(C) Marginal Standing Facility Rate
(D) Cash Reserve Ratio

59. The Cash Reserve Ratio and Statutory Liquidity Ratio are calculated as a percentage of a bank's NDTL. What does the acronym NDTL stand for in banking terminology?
(A) National Deposit and Term Loans

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(B) Net Demand and Time Liabilities
(C) Nominal Debt and Term Liabilities
(D) Net Default and Trade Loans

60. Match List I with List II and select the correct answer:

List I: Committees/Acts
P. Narasimham Committee (1991)
Q. Insolvency and Bankruptcy Code (2016)
R. Banking Regulation Act (1949)
S. Basel Committee on Banking Supervision

List II: Core Theme/Outcome
1. International Capital Adequacy Norms
2. Foundational regulatory framework for Indian banks
3. Financial sector deregulation and reforms
4. Time-bound mechanism for resolving stressed assets

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-2, Q-4, R-1, S-3

61. For maintaining the Statutory Liquidity Ratio (SLR), banks hold specific types of safe, liquid assets. Which of the following is typically NOT considered an eligible asset for computing SLR?
(A) Unsecured corporate debentures
(B) Physical Gold held in bank vaults
(C) Dated securities issued by the Government of India
(D) State Development Loans (SDLs)

62. Which public sector entity presently commands the largest market share in India's banking sector in terms of total assets, deposits, and branch network?
(A) Punjab National Bank
(B) Bank of Baroda
(C) State Bank of India
(D) Canara Bank

63. Before its transformation into the State Bank of India in 1955, the largest commercial bank in the country was established through the amalgamation of the three Presidency Banks. What was the name of this predecessor institution?
(A) Reserve Bank of India
(B) Oudh Commercial Bank
(C) Alliance Bank of Simla
(D) Imperial Bank of India

64. Following the 1969 nationalization, Indian banking policies heavily emphasized branch expansion in unbanked areas. What specific strategy or ratio did the RBI implement during the 1970s and 1980s to enforce rural branch expansion?
(A) A regulatory requirement stipulating that foreign banking institutions were entirely prohibited from establishing rural branches.
(B) A central policy ordering the immediate and complete relocation of all public sector bank corporate headquarters to rural districts.
(C) A mandatory branch-licensing formula requiring banks to open a fixed quota of rural branches for every urban branch authorized.
(D) A strict statutory prohibition preventing private commercial banks from opening any new branches in metropolitan business centers.

65. Which of the following is the correct ascending order (from grassroots to state level) of the cooperative credit structure typically functioning in states like Rajasthan?
(A) State Cooperative Bank → Primary Agricultural Credit Society → District Central Cooperative Bank
(B) Primary Agricultural Credit Society → District Central Cooperative Bank → State Cooperative Bank
(C) District Central Cooperative Bank → Primary Agricultural Credit Society → State Cooperative Bank
(D) Primary Agricultural Credit Society → State Cooperative Bank → District Central Cooperative Bank

66. Regional Rural Banks (RRBs) are structurally unique due to their joint ownership model. In this setup, what is the exact percentage of share capital held by the Sponsor Bank?
(A) 15 percent
(B) 35 percent
(C) 50 percent
(D) 75 percent

67. In the context of Rajasthan's cooperative banking structure, the Rajasthan State Cooperative Bank Ltd. operates at the state apex level. Which institutions directly borrow from this apex bank to refinance grassroot societies?
(A) District Central Cooperative Banks (DCCBs)
(B) Urban Cooperative Banks

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(C) Commercial Banks operating in Rajasthan
(D) Regional Rural Banks like Rajasthan Marudhara Gramin Bank

68. Consider the following statements regarding the Insolvency and Bankruptcy Code (IBC) resolution mechanism:
I. Once an application is admitted by the NCLT, a moratorium is declared prohibiting the recovery of debts against the corporate debtor.
II. A Committee of Creditors (CoC) is formed, which primarily consists of operational creditors who hold the maximum voting power.
III. If a resolution plan is not approved within the mandated timeframe, the adjudicating authority orders the liquidation of the corporate debtor.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

69. To establish a Small Finance Bank (SFB) in India, the Reserve Bank of India mandates a certain minimum paid-up voting equity capital for the promoter. As per the updated guidelines, what is this minimum capital requirement for setting up a new SFB?
(A) Rs. 50 crores
(B) Rs. 100 crores
(C) Rs. 200 crores
(D) Rs. 500 crores

70. Arrange the following technological and inclusion initiatives in the Indian banking system in the chronological order of their launch:
I. Pradhan Mantri Jan Dhan Yojana (PMJDY)
II. Origin of National Electronics Funds Transfer (NEFT)
III. Launch of RuPay Card scheme by NPCI
IV. Introduction of the Unified Payments Interface (UPI)
(A) II, III, I, IV
(B) I, II, III, IV
(C) III, II, I, IV
(D) II, I, IV, III

71. Non-Banking Financial Companies (NBFCs) are classified into various categories based on their operational nature. What does the acronym NBFC-MFI denote?
(A) Mortgage Finance Intermediary
(B) Micro-Finance Institution
(C) Mutual Fund Investor
(D) Macro-Financial Instrument

72. The following statements deal with the issue of Non-Performing Assets:
Assertion (A): During prolonged periods of economic slowdown, commercial banks invariably experience a rise in their Gross Non-Performing Assets (GNPA) ratios.
Reason (R): An economic slowdown reduces corporate profitability and impacts the income of individuals, degrading their ability to service existing loans.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

73. Before the implementation of the Insolvency and Bankruptcy Code (IBC), banks heavily relied on a specific legislation to enforce their security interests and recover loans without the intervention of a court. Which Act provided this mechanism?
(A) Negotiable Instruments Act, 1881
(B) Foreign Exchange Management Act, 1999
(C) Prevention of Money Laundering Act, 2002
(D) SARFAESI Act, 2002

74. A significant cause behind the surge in NPAs in the mid-2010s was "over-leveraging" by corporate entities. What does the term "over-leveraged" imply in this context?
(A) Companies taking excessive bank loans relative to equity capital, resulting in severe debt-servicing burdens.
(B) Companies rapidly expanding their market operations and geographic presence across domestic territories without taking any loans.
(C) Companies raising disproportionately high amounts of equity capital directly from foreign retail investors in public capital markets.
(D) Companies strictly avoiding all forms of commercial bank borrowing by utilizing internal cash reserves exclusively for expansion.

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75. Consider the following statements regarding priority sector lending (PSL) targets in India:
I. The target for lending to the agriculture sector is generally 18% of ANBC.
II. Foreign banks with 20 or more branches in India are exempt from all PSL obligations.
III. Loans to start-ups (up to Rs. 50 crore) are recognized under priority sector lending.
IV. Advances to the micro, small and medium enterprises (MSME) sector qualify as PSL.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

76. The Narasimham Committee (1991) made several radical recommendations to improve bank profitability and autonomy. Which of the following was one of its key structural recommendations regarding statutory reserve requirements?
(A) Gradually increasing the statutory liquidity ratio up to 50 percent to maximize the safety of public retail bank deposits.
(B) Reducing SLR and CRR requirements to unlock bank resources for productive commercial credit lending.
(C) Completely abolishing the cash reserve ratio while permanently maintaining statutory liquidity requirements at 40 percent.
(D) Replacing statutory liquidity and cash reserve ratios entirely with a mandatory 'National Development Fund' regulatory tax.

77. The Basel III regulatory framework was developed by the Basel Committee on Banking Supervision (BCBS) primarily in response to which major global event?
(A) The Global Financial Crisis of 2007-08
(B) The dot-com bubble burst of 2001
(C) The Asian Financial Crisis of 1997
(D) The COVID-19 pandemic economic shock of 2020

78. Match List I with List II and select the correct answer:
List I: Public Sector Banks Merged
P. Syndicate Bank
Q. Allahabad Bank
R. Oriental Bank of Commerce
S. Andhra Bank
List II: Anchor Bank
1. Union Bank of India
2. Canara Bank
3. Punjab National Bank
4. Indian Bank
(A) P-2, Q-4, R-3, S-1
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-3, R-4, S-1

79. Under the liquidation process of the Insolvency and Bankruptcy Code (IBC) 2016, there is a strict 'waterfall mechanism' that determines the order of priority for distributing the proceeds from the sale of the debtor's assets. Which of the following costs receives the highest priority of payment?
(A) Financial debts owed to unsecured creditors
(B) Government dues and outstanding taxes
(C) Workmen's dues for the period of 24 months preceding the liquidation commencement
(D) Insolvency resolution process costs and liquidation costs

80. What was the primary macroeconomic and operational rationale cited by the Government of India for executing the mega-mergers of Public Sector Banks between 2019 and 2020?
(A) To prepare state-owned public sector banks for immediate full-scale privatization and transfer of majority equity control to private buyers.
(B) To bypass regulatory oversight under the RBI's Prompt Corrective Action framework by consolidating non-performing assets across balance sheets.
(C) To build large, globally competitive mega-banks with increased risk-taking capacity and consolidated operating structures.
(D) To forcibly convert all public sector commercial banks into specialized Non-Banking Financial Companies focused on micro-credit infrastructure.

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1. (B) Scheduled banks are listed in the Second Schedule of the RBI Act, 1934, whereas non-scheduled banks are not.
Scheduled commercial banks in India are explicitly listed under the Second Schedule of the Reserve Bank of India Act, 1934. To qualify for this status, a bank must possess a minimum paid-up capital and reserves of five lakh rupees and satisfy the Reserve Bank that its affairs are conducted in a manner that protects retail depositor interests.

2. (D) Accepting demand deposits from the general public.
The Reserve Bank of India serves as the country's central bank and monetary authority, regulating money supply and managing government debt. While commercial banks interface directly with the public to accept deposits and provide credit, the central bank operates exclusively with financial institutions and government entities, making retail public deposit operations outside its regulatory scope.

3. (B) Section 22
Section 22 of the Banking Regulation Act, 1949, grants statutory authority to the Reserve Bank of India to issue commercial banking licenses. No entity is permitted to commence or carry on banking business in India without obtaining a specific license from the central bank, which evaluates operational capacity, financial viability, and overall public interest prior to granting approval.

4. (C) The rate at which the RBI lends short-term funds to commercial banks against approved securities.
The Repo Rate, or Repurchase Option Rate, is the interest rate at which the central bank provides short-term liquidity to commercial banks against eligible government securities. Banks agree to repurchase these underlying securities at a predetermined price, allowing the central bank to regulate market interest rates, control systemic inflation, and manage short-term liquidity dynamics across the macroeconomic environment.

5. (A) It is utilized by the RBI to absorb excess liquidity from the banking system.
Under the Liquidity Adjustment Facility framework, the reverse repo rate acts as the benchmark rate at which the central bank absorbs surplus liquidity from commercial banks. When commercial banks possess excess loanable funds, they park these balances with the central bank overnight, earning interest and thereby curbing potential inflationary pressures resulting from excess money supply in circulation.

6. (D) Increase the CRR to reduce loanable funds available with commercial banks.
The Cash Reserve Ratio represents the mandatory percentage of Net Demand and Time Liabilities that commercial banks must maintain as cash reserves with the central bank. Raising this reserve ratio restricts the total funds available for lending, effectively curtailing broad money creation, dampening credit expansion, and controlling demand-pull inflationary pressures throughout the domestic economy.

7. (B) Cash, gold, and unencumbered approved government securities.
The Statutory Liquidity Ratio is a regulatory requirement compelling commercial banks to hold a designated portion of their Net Demand and Time Liabilities in specified liquid assets. Eligible reserves include physical cash, gold, and unencumbered government and other approved securities, ensuring bank solvency, financial system stability, and government debt market support.

8. (A) I and II only
Public Sector Banks are banking entities in which the Central Government maintains a majority ownership share of at least 51 percent. State Bank of India is the nation's largest public sector bank by total assets and market coverage. These financial institutions actively raise capital by issuing equity shares to public markets while retaining government ownership control.

9. (D) Canara Bank
Banks in India are categorized based on ownership into public sector and private sector institutions.

Canara Bank is a prominent public sector bank where the government holds majority ownership. Conversely, HDFC Bank, ICICI Bank, and Axis Bank are major private sector commercial banks operating under private shareholder equity control and management structures.

10. (B) 14 banks with deposits over Rs. 50 crores
In July 1969, the Government of India promulgated the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, nationalizing 14 major commercial banks. The selection threshold required banks to possess aggregate demand and time deposit balances exceeding 50 crore rupees, extending banking reach beyond urban centers into priority sectors like agriculture and rural businesses.

11. (B) Massive expansion of bank branches in rural and unbanked areas.
The nationalization initiatives of 1969 and 1980 replaced purely profit-driven commercial banking with social banking principles. This major structural shift mandated commercial banks to expand physical branch infrastructure aggressively into unbanked rural and semi-urban locations, significantly improving institutional financial access for agricultural workers, small traders, and marginalized socio-economic segments throughout India.

12. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Regional Rural Banks were established under the Ordinance of October 1975 and the Regional Rural Banks Act, 1976. This policy creation was directly prompted by the observation that commercial banks remained primarily urban-focused and lacked low-cost, localized operational models essential for servicing rural agricultural credit needs and fostering comprehensive financial integration.

13. (A) District Central Cooperative Bank
The short-term cooperative credit structure in India is organized in a three-tier framework. Primary Agricultural Credit Societies function at the village level, District Central Cooperative Banks operate at the district level, and State Cooperative Banks serve as apex institutions at the state level, ensuring localized credit delivery to agricultural producers.

14. (C) Issuing credit cards and advancing standard loans.
Payment Banks were created as niche financial entities to broaden financial inclusion by facilitating small savings accounts and payments services. Under regulatory rules, these banks can accept demand deposits up to prescribed limits and issue debit cards, but are explicitly barred from issuing credit cards or granting loans to avoid credit risk exposures.

15. (B) I, II and IV only
Small Finance Banks provide micro-credit and savings facilities to unbanked and underserved segments, including micro-enterprises and small farmers. Unlike payment banks, they are permitted to extend loans. Regulatory mandates require them to target 75 percent of their Adjusted Net Bank Credit to priority sectors and maintain half their loan portfolio in disbursements under 25 lakh rupees.

16. (C) NBFCs do not form part of the payment system and cannot issue cheques drawn on themselves.
Non-Banking Financial Companies provide financial services such as loans and advances, but differ fundamentally from commercial banks. They cannot accept demand deposits repayable on demand, do not form part of the official payment and settlement system, and are legally prohibited from issuing negotiable cheques drawn on themselves to retail customers.

17. (B) A borrower who has the capacity to repay but intentionally defaults on payment obligations.
A wilful defaulter is classified as a borrower or guarantor who possesses the financial capacity to service debt obligations but deliberately chooses not to pay. The central bank also includes instances where loan proceeds are siphoned off, diverted for unauthorized purposes, or where secured assets are disposed of without bank consent.

18. (D) National Asset Reconstruction Company Limited (NARCL)
The National Asset Reconstruction Company Limited was incorporated as a specialized asset reconstruction company, functioning as India's bad bank. Supported by public sector banks and backed by sovereign guarantees on security receipts, it aggregates and acquires high-value non-performing assets from commercial banks to

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systematically resolve and recover stressed bad debts.

19. (A) M. Narasimham
Financial sector reforms following the 1991 economic balance of payments crisis were guided by the High-Level Committee on the Financial System, chaired by former Reserve Bank Governor M. Narasimham. The committee recommended deregulating interest rates, lowering reserve ratios, implementing capital adequacy standards, and fostering operational autonomy across commercial banking institutions.

20. (A) P-2, Q-3, R-4, S-1
The Reserve Bank of India serves as the country's monetary authority and banking regulator. The National Payments Corporation of India manages retail payments and digital settlement infrastructure. Small Finance Banks target micro-enterprises and agricultural credit needs, while Asset Reconstruction Companies specialize in purchasing and resolving non-performing loan portfolios from banks.

21. (A) They mandate an immediate Rs. 10,000 upfront deposit to activate the account.
Pradhan Mantri Jan Dhan Yojana is a national financial inclusion campaign designed to ensure universal banking access. Accounts created under this scheme are Basic Savings Bank Deposit Accounts, operating with zero minimum balance requirements, free RuPay debit cards, built-in accident insurance coverage, and overdraft facilities without requiring upfront initial deposit amounts.

22. (D) Unified Payments Interface
The acronym UPI stands for Unified Payments Interface, an instant real-time payment system developed by the National Payments Corporation of India. It facilitates inter-bank peer-to-peer and person-to-merchant transactions through mobile devices by merging multiple bank accounts into a single payment application, enabling seamless digital funds transfers nationwide across financial institutions.

23. (B) It enforces a strict, time-bound mechanism for resolving insolvency.
Enacted in 2016, the Insolvency and Bankruptcy Code offers a unified, legally structured, time-bound framework for corporate insolvency resolution. It prioritizes reorganization and debt resolution to preserve corporate enterprise value, shifting power from defaulting debtor management to creditors and liquidating assets only if approved resolution plans fail within stipulated statutory periods.

24. (C) Universal Basic Income Guarantee
The Basel III international banking regulatory framework is structured around three distinct core pillars: Pillar 1 specifies Minimum Capital Requirements and reserve ratios; Pillar 2 provides for the Supervisory Review Process; and Pillar 3 mandates Market Discipline through disclosures. Universal basic income guarantees are social welfare policies and lie outside prudential supervision.

25. (A) Nationalization of 14 Banks, Establishment of Regional Rural Banks, Origin of Payment Banks, Enactment of Insolvency and Bankruptcy Code
Historical banking developments occurred in a clear chronological sequence: 14 major commercial banks were nationalized in July 1969; Regional Rural Banks were established via an ordinance in October 1975; Payment Bank guidelines were released in 2014; and the Insolvency and Bankruptcy Code was formally enacted by Parliament in May 2016.

26. (C) 40 percent
Domestic scheduled commercial banks and foreign banks with 20 or more branches are mandated by the central bank to allocate 40 percent of their Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, to identified priority sectors including agriculture, small business enterprises, and lower-income segments.

27. (B) Punjab National Bank
In the consolidated mega-merger of public sector banks that took structural effect on April 1, 2020, Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank. This integration established Punjab National Bank as the second-largest public sector bank in India, behind State Bank of India.

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28. (B) I and III only
Raising the Repo Rate increases borrowing costs for commercial banks, leading to higher interest rates on corporate and retail loans. The

Reverse Repo Rate is strictly maintained lower than the Repo Rate to define the floor of the liquidity corridor. Modifying Cash Reserve Ratio requirements directly controls bank liquidity and overall credit creation capacity.

29. (A) Having a paid-up capital and aggregate reserves of less than Rs. 5 lakhs.
Under the Reserve Bank of India Act, 1934, a commercial bank must maintain aggregate paid-up capital and reserves of at least five lakh rupees to qualify for inclusion in the Second Schedule. Banks falling below this financial capitalization threshold are classified as non-scheduled banks and do not enjoy full central bank borrowing privileges.

30. (C) One Rupee Note
Under Section 22 of the RBI Act, the central bank holds exclusive authority to issue currency notes of all higher denominations in India. However, the One Rupee note is issued directly by the Ministry of Finance, Government of India, bearing the signature of the Finance Secretary rather than the RBI Governor.

31. (D) Banking Regulation Act, 1949
The Reserve Bank of India derives statutory supervisory powers over commercial banking entities primarily from Section 35 of the Banking Regulation Act, 1949. This section empowers the central bank to conduct comprehensive on-site inspections and off-site surveillance regarding bank accounts, asset portfolio management, internal operational controls, and overall corporate governance compliance.

32. (C) Assertion (A) is true but Reason (R) is false.
During high inflationary periods, the central bank raises the Repo Rate to increase short-term borrowing costs for commercial banks. Higher borrowing costs lead banks to raise lending rates for businesses and retail consumers, which discourages borrowing, reduces money supply in circulation, and helps stabilize price levels across the macroeconomic environment.

33. (B) The RBI does not pay any interest on CRR balances.
Commercial banks are required to maintain Cash Reserve Ratio balances as unencumbered cash deposits with the central bank based on their Net Demand and Time Liabilities. Under current statutory rules, the Reserve Bank of India pays zero interest on these mandatory reserves, encouraging banks to manage excess liquidity through open market operations.

34. (D) CRR balances are deposited with the RBI, while SLR assets are held by banks themselves.
The primary operational distinction between Cash Reserve Ratio and Statutory Liquidity Ratio lies in asset custody and composition. Cash Reserve Ratio balances are held strictly as cash deposits with the central bank. Conversely, Statutory Liquidity Ratio assets remain with the commercial banks themselves in approved liquid forms, such as government bonds.

35. (A) I, II and III only
Regional Rural Banks were established following recommendations of the Narasimham Working Group in 1975. Equity capital in these institutions is jointly owned by the Central Government (50 percent), Sponsor Bank (35 percent), and State Government (15 percent). RRBs are fully subject to prudential reserve requirements, including Cash Reserve Ratio and Statutory Liquidity Ratio.

36. (C) The RBI achieves greater supervisory control and ring-fences local operations from parent global shocks.
Operating foreign banks as Wholly Owned Subsidiaries rather than branch networks provides enhanced regulatory oversight for the Reserve Bank of India. Wholly Owned Subsidiaries are incorporated locally in India, establishing independent capital bases and local boards, effectively ring-fencing domestic operations and retail depositors from overseas financial spillovers or parent institution distress.

37. (B) Demand and time liabilities exceeding Rs. 200 crores
The second major phase of bank nationalization took place in April 1980 under the Banking Companies (Acquisition and Transfer of Undertakings) Act. Six commercial banks were brought under state control based on the regulatory criterion of possessing aggregate demand and time deposit liabilities exceeding 200 crore rupees at the time.

38. (D) Priority Sector Lending (PSL) targets
Post-nationalization monetary policy focused on expanding institutional credit to socially important sectors that were historically

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overlooked by commercial lenders. The central bank institutionalized this directed credit framework by setting Priority Sector Lending obligations, mandating banks to allocate specific proportions of total credit to agriculture, small enterprises, and economically weaker sections.

39. (B) Primary Agricultural Credit Society (PACS) operating at the village level
In the short-term cooperative credit structure, Primary Agricultural Credit Societies function at the village grassroots level. They form the foundational base of rural credit delivery by providing short-term agricultural loans directly to local farmers, maintaining close contact with individual borrowers, and refinancing operations through District Central Cooperative Banks nationwide.

40. (A) P-4, Q-3, R-2, S-1
The Repo Rate is the short-term lending rate charged by the central bank to commercial banks. The Reverse Repo Rate is the rate at which the central bank absorbs liquidity. Cash Reserve Ratio is the cash percentage deposited with the central bank, while Statutory Liquidity Ratio represents liquid assets maintained internally by banks.

41. (D) Migrant labourers, low-income households, and unorganized small business units.
Payment Banks were created under differentiated banking guidelines to further financial inclusion for unbanked populations. They target low-income households, migrant workers, micro-businesses, and unorganized sector workers by offering low-cost digital remittance services, demand deposit accounts, and basic savings facilities without offering credit or high-risk financial products across rural areas.

42. (D) 75 percent
Small Finance Banks operate under a mandate focused on financial inclusion and micro-credit penetration. To ensure credit flow reaches underserved economic sectors, the Reserve Bank of India requires Small Finance Banks to allocate 75 percent of their Adjusted Net Bank Credit to priority sectors, compared to 40 percent required for universal commercial banks.

43. (B) Because NBFCs face asset-liability mismatches without direct access to RBI lender-of-last-resort liquidity support.
Non-Banking Financial Companies form a core part of shadow banking by providing credit while operating without banking licenses. Regulators maintain vigilant oversight because NBFCs rely on market borrowings to fund long-term assets, creating structural asset-liability mismatches without having direct access to central bank emergency liquidity facilities or lender-of-last-resort support mechanisms.

44. (B) Stressed Public Sector Banks and Overleveraged Corporate Entities
The Twin Balance Sheet problem refers to the economic situation where overleveraged corporate entities faced severe debt-servicing issues, which directly impaired the balance sheets of public sector banks holding high volumes of non-performing assets. This interlinked financial stress constrained fresh capital investment and dampened overall commercial credit expansion across the domestic economy.

45. (A) II, IV, III, I
The chronological order of these financial sector milestones begins with the nationalization of 14 commercial banks in 1969, followed by the establishment of the M. Narasimham Committee on the Financial System in 1991, the public launch of the Unified Payments Interface in April 2016, and the enactment of the Insolvency and Bankruptcy Code in May 2016.

46. (C) Purchasing non-performing assets from banks to attempt their resolution, restructuring, or asset recovery.
Asset Reconstruction Companies are specialized financial institutions registered with the central bank under the SARFAESI Act. Their primary role is purchasing non-performing loans and stressed assets from commercial banks, allowing banks to clean their balance sheets while the asset reconstruction companies focus on asset recovery, corporate restructuring, or liquidation procedures.

47. (D) Creating strong ‘mega banks’ by merging large public sector banks to enhance global competitiveness.
The Narasimham Committee II, constituted in 1998 to review banking sector reforms, recommended consolidating public sector banks

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to build a robust financial structure. It proposed creating a three-tiered banking architecture comprising a few large global-sized mega-banks, national banks with nationwide networks, and localized regional or rural banking institutions.

48. (A) I and II only
RuPay is an indigenous card payment settlement network launched in 2012 by the National Payments Corporation of India to create a domestic alternative to international card networks. RuPay debit and credit cards function across domestic and international locations through partnership agreements with global card networks like Discover and JCB networks.

49. (C) 2016
The Unified Payments Interface was officially launched for public use by the National Payments Corporation of India in April 2016, under the leadership of the central bank. UPI transformed retail digital transactions across India by enabling instant, round-the-clock, mobile-based inter-bank fund transfers using virtual payment addresses without sharing bank account details.

50. (D) National Company Law Tribunal (NCLT)
Under the Insolvency and Bankruptcy Code, 2016, the National Company Law Tribunal serves as the designated Adjudicating Authority for corporate insolvency resolution and liquidation processes. Meanwhile, Debt Recovery Tribunals serve as the adjudicating authority for insolvency cases involving individual borrowers and personal partnership firms operating across the country.

51. (A) The ratio of a bank's capital to its risk-weighted assets.
The Capital Adequacy Ratio, or Capital to Risk-Weighted Assets Ratio, measures a bank's financial capital relative to its credit, market, and operational risk exposures. It ensures that financial institutions possess adequate capital buffers to absorb reasonable losses, safeguarding depositor funds and promoting stability throughout the broader financial system.

52. (C) Assertion (A) is true but Reason (R) is false.
Priority Sector Lending mandates exist to ensure adequate flow of institutional credit to vital socio-economic sectors such as agriculture, education, housing, and micro-enterprises. These sectors often carry higher credit risk and operational overheads rather than maximum commercial profitability, necessitating statutory regulation to prevent structural credit market underservice.

53. (B) 2017
On April 1, 2017, State Bank of India merged five of its associate banks alongside Bharatiya Mahila Bank into itself. The merged associate entities included State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, and State Bank of Travancore, creating a consolidated top-50 global bank.

54. (D) The RBI and the Registrar of Cooperative Societies of the respective state or central government.
Urban Cooperative Banks historically operated under dual regulation. Administrative, management, incorporation, and registration matters were governed by the Registrar of Cooperative Societies of the respective state or central government, while core banking supervision, licensing, capital requirements, and monetary regulation were overseen by the Reserve Bank of India nationwide.

55. (B) I, III and IV only
The Reserve Bank of India acts as the banker to the Central Government and manages public debt. Management of state government banking operations requires separate bilateral agreements under the Reserve Bank of India Act. The central bank provides short-term Ways and Means Advances to manage temporary cash flow mismatches for governments.

56. (C) Prompt Corrective Action (PCA)
Prompt Corrective Action is a supervisory framework utilized by the central bank to intervene when a commercial bank's financial indicators—specifically capital adequacy, net non-performing assets, or leverage—fall below mandatory threshold levels. The framework imposes operational restrictions, including limits on dividend distributions, branch expansion, and management compensation across defaulting banks.

57. (C) 6 members
The Monetary Policy Committee consists of six members responsible for fixing the benchmark policy repo rate to maintain target price stability while supporting economic growth. The committee comprises three ex-officio central

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bank officials, including the RBI Governor, and three external independent members appointed by the Central Government for specific terms.

58. (A) Reverse Repo Rate
Prior to the introduction of the uncollateralized Standing Deposit Facility in 2022, the Reverse Repo Rate marked the floor of the Reserve Bank of India's Liquidity Adjustment Facility corridor. Under that operational framework, the Repo Rate functioned as the policy rate, flanked by MSF at the ceiling and Reverse Repo at the floor.

59. (B) Net Demand and Time Liabilities
In banking terminology, NDTL stands for Net Demand and Time Liabilities. Demand liabilities comprise savings deposits, current accounts, and demand drafts payable instantly, while time liabilities encompass fixed deposits and recurring deposits. Netting removes inter-bank liabilities, forming the base for computing mandatory reserve ratios like CRR and SLR requirements.

60. (A) P-3, Q-4, R-2, S-1
The Narasimham Committee (1991) initiated structural financial system reforms and economic deregulation. The Insolvency and Bankruptcy Code (2016) established a time-bound resolution framework for bad assets. The Banking Regulation Act (1949) forms the foundational legal framework for Indian banks, and BCBS establishes international Basel capital adequacy risk norms.

61. (A) Unsecured corporate debentures
Statutory Liquidity Ratio assets must meet high standards of liquidity and security as mandated by the Reserve Bank of India. Permitted liquid assets include physical cash, gold reserves, government dated securities, treasury bills, and State Development Loans. Unsecured private corporate debentures carry credit default risk and are ineligible for SLR compliance.

62. (C) State Bank of India
State Bank of India is the largest public sector commercial bank in India, holding approximately a quarter of total market share in deposits and advances. With thousands of operating domestic branches, an extensive ATM network, and significant international presence, it functions as the dominant public financial institution across the nation.

63. (D) Imperial Bank of India
The State Bank of India traces its institutional origins back to the Imperial Bank of India, which was created in 1921 through the statutory amalgamation of the three Presidency Banks: Bank of Bengal, Bank of Bombay, and Bank of Madras. Following nationalization in 1955, the Imperial Bank became State Bank of India.

64. (C) A mandatory branch-licensing formula requiring banks to open a fixed quota of rural branches for every urban branch authorized.
To address post-nationalization regional banking imbalances, the central bank implemented a strict 1:4 branch-licensing formula. Under this policy mechanism, commercial banks were required to open four new physical branches in unbanked rural and semi-urban locations as a prerequisite for receiving regulatory authorization to open a single branch in urban or metropolitan centers.

65. (B) Primary Agricultural Credit Society → District Central Cooperative Bank → State Cooperative Bank
The short-term cooperative credit structure operates in an ascending three-tiered institutional hierarchy. Primary Agricultural Credit Societies function at the village grassroots level directly serving farmers. These societies federate at the intermediate district level into District Central Cooperative Banks, which in turn connect at the apex state level under State Cooperative Banks.

66. (B) 35 percent
Under the Regional Rural Banks Act, 1976, the equity share capital of every Regional Rural Bank is jointly held by three distinct entities in fixed statutory proportions: the Central Government holds 50 percent, the concerned State Government holds 15 percent, and the commercial Sponsor Bank holds the remaining 35 percent.

67. (A) District Central Cooperative Banks (DCCBs)
In state cooperative credit systems, such as in Rajasthan, the State Cooperative Bank functions as the apex financing institution. It provides refinance facilities and liquidity support directly to District Central Cooperative Banks, which subsequently disburse short-term agricultural loans to Primary Agricultural Credit Societies operating at the village level nationwide.

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68. (B) I and III only
Upon formal admission of an insolvency application by the NCLT under the Insolvency and Bankruptcy Code, a moratorium takes effect prohibiting debt recovery enforcement. The Committee of Creditors is composed primarily of financial creditors who hold decision-making voting power. Unapproved resolution plans within statutory timelines result in mandatory liquidation orders.

69. (C) Rs. 200 crores
Under the Reserve Bank of India's updated licensing guidelines for "on-tap" authorization of Small Finance Banks, the minimum paid-up voting equity capital requirement is set at 200 crore rupees. For primary urban cooperative banks voluntarily converting into Small Finance Banks, the initial capital threshold is lower but must gradually reach 200 crores.

70. (A) II, III, I, IV
The correct chronological sequence of these banking initiatives starts with National Electronic Funds Transfer introduced in November 2005, followed by the launch of the RuPay payment network in March 2012, the flagship financial inclusion Pradhan Mantri Jan Dhan Yojana in August 2014, and the Unified Payments Interface launched in April 2016.

71. (B) Micro-Finance Institution
The designation NBFC-MFI stands for Non-Banking Financial Company Micro Finance Institution. These specialized non-deposit taking financial entities focus on providing collateral-free micro-credit and small loans to low-income households and micro-enterprises, adhering strictly to central bank regulatory guidelines regarding joint liability lending models, income caps, and borrower protection parameters nationwide.

72. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Prolonged macroeconomic downturns negatively affect industrial production, business revenues, and household disposal incomes. As corporate profitability contracts and employment growth stalls, borrowers face financial distress, impeding their debt-servicing capacity. Consequently, commercial bank default rates rise, leading directly to higher Gross Non-Performing Asset ratios across commercial bank balance sheets.

73. (D) SARFAESI Act, 2002
The SARFAESI Act of 2002 empowers secured commercial bank creditors to enforce security interests without court intervention. Banks can issue default notices to defaulting borrowers and take possession of secured collateral assets, manage asset disposal, or sell pledged property to recover outstanding default balances efficiently outside traditional lengthy litigation channels.

74. (A) Companies taking excessive bank loans relative to equity capital, resulting in severe debt-servicing burdens.
Corporate over-leveraging describes a financial situation where business firms accumulate excessive debt relative to their underlying equity capital and cash flows. When macroeconomic growth slows or project revenues fall short of interest projections, these highly indebted corporate entities struggle to service interest payments, triggering systemic non-performing loan accumulations across banks.

75. (B) I, III and IV only
Priority Sector Lending mandates mandate domestic and foreign commercial banks with 20 or more branches to allocate 18 percent of ANBC to agriculture. Eligible priority categories include loans to MSMEs and start-ups up to 50 crore rupees. Foreign banks with 20+ branches must meet the same overall 40 percent obligation.

76. (B) Reducing SLR and CRR requirements to unlock bank resources for productive commercial credit lending.
The Narasimham Committee (1991) observed that excessively high Statutory Liquidity Ratio and Cash Reserve Ratio requirements locked up bank resources, acting as pre-emptions that suppressed bank profitability. It recommended systematically reducing CRR and SLR levels to release liquidity into the commercial banking channel for productive private sector business credit allocation.

77. (A) The Global Financial Crisis of 2007-08
The Basel Committee on Banking Supervision formulated the Basel III framework in response to structural financial vulnerabilities exposed by the 2007-08 Global Financial Crisis. The rules enhanced international regulatory standards by raising capital quality, introducing leverage ratios, and introducing strict liquidity coverage

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and net stable funding requirements for global banks.

78. (A) P-2, Q-4, R-3, S-1
In the public sector bank consolidations, Syndicate Bank was merged into Canara Bank as anchor institution. Allahabad Bank was merged into Indian Bank. Oriental Bank of Commerce was amalgamated into Punjab National Bank, while Andhra Bank was merged into Union Bank of India to create larger financial balance sheet entities.

79. (D) Insolvency resolution process costs and liquidation costs
Under Section 53 of the Insolvency and Bankruptcy Code, asset liquidation proceeds are distributed following a mandatory waterfall mechanism. Highest priority is given to full payment of insolvency resolution process costs and liquidation costs. Secured creditors who relinquish security and workmen's dues for 24 months share second priority in liquidation ranking.

80. (C) To build large, globally competitive mega-banks with increased risk-taking capacity and consolidated operating structures.
The mega-mergers of public sector banks aimed to create strong, financially resilient, globally competitive banking institutions. Combining smaller public banks into anchor entities optimized operational costs, streamlined branch infrastructure, expanded capital bases, enhanced risk absorption capacity, and enabled large-scale credit underwriting required to support nationwide infrastructure and corporate economic growth.

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CHAPTER 03

Taxation and Goods and Services Tax (GST)

1. Which of the following is a fundamental distinction between a direct tax and an indirect tax?
(A) Direct taxes are levied only on goods, while indirect taxes are levied only on services.
(B) In a direct tax, the incidence and impact fall on the same person, whereas in an indirect tax, they fall on different persons.
(C) Direct taxes can be passed on to the consumer, whereas indirect taxes cannot be shifted.
(D) Indirect taxes are progressive in nature, while direct taxes are generally regressive.

2. Which of the following is an example of a direct tax in India?
(A) Customs Duty
(B) Goods and Services Tax
(C) Excise Duty
(D) Corporate Tax

3. Under the new income tax regime introduced by the Government of India, which of the following statements represents a major structural change compared to the old regime?
(A) The new regime offers lower concessional tax rates but requires the taxpayer to forego most of the traditional deductions and exemptions.
(B) The new regime mandates higher tax rates for all income brackets but provides unlimited exemptions.
(C) The new regime applies only to corporate entities, while the old regime applies to individuals.
(D) The new regime allows individuals to carry forward losses indefinitely without filing returns.

4. What is the primary purpose of imposing a surcharge on income tax?
(A) To replace the primary income tax for all taxpayers.
(B) To fund local municipal bodies directly from the Central pool.
(C) To collect additional revenue specifically from taxpayers in higher income brackets.
(D) To provide a tax rebate to senior citizens.

5. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Indirect taxes are often criticized for being regressive in nature.
Reason (R): Indirect taxes are levied at a uniform rate regardless of the income level of the consumer, taking a larger percentage of income from low-income earners than from high-income earners.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

6. The 101st Constitution Amendment Act of 2016 is primarily associated with which of the following economic reforms in India?
(A) Introduction of the Insolvency and Bankruptcy Code (IBC)
(B) Establishment of the statutory Monetary Policy Committee
(C) Abolition of the Minimum Alternate Tax for corporates
(D) Introduction of the Goods and Services Tax framework

7. The underlying rationale behind the slogan "One Nation, One Tax" in the context of GST is to:
(A) Apply a single universal tax rate of 18% on all domestic goods and services across India without any exception.
(B) Unify the domestic market by subsuming various central and state indirect taxes into a single tax framework.
(C) Merge all direct and indirect taxes into one unified tax structure collected exclusively by the Central Government.

(D) Eliminate all individual state governments' Constitutional authority to collect any domestic revenue streams.

8. Match the taxation terms in List-I with their appropriate descriptions in List-II.

List I: Taxation Terms

P. Surcharge
Q. Minimum Alternate Tax (MAT)
R. Tax Holiday
S. Cess

List II: Descriptions

1. A temporary exemption from paying taxes to encourage investment
2. A tax levied on zero-tax companies that show book profits
3. An additional charge levied on the tax payable by high-income earners
4. A tax levied for a specific purpose or sector development

(A) P-3, Q-2, R-1, S-4
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-3, R-1, S-4

9. Which of the following pre-GST indirect taxes was levied exclusively by the State Governments?
(A) Central Excise Duty
(B) Service Tax
(C) Additional Customs Duty
(D) Value Added Tax (VAT)

10. Which of the following central taxes was NOT subsumed under the Goods and Services Tax (GST)?
(A) Basic Customs Duty
(B) Central Excise Duty
(C) Service Tax
(D) Additional Duties of Excise

11. Consider the following statements regarding the GST Council:
I. It is a statutory body established under an Act of Parliament, not a constitutional body.
II. The Union Finance Minister is the Chairperson of the GST Council.
III. Every State Government has equal voting weightage to the Central Government in the Council.
IV. Decisions in the GST Council are taken by a majority of not less than three-fourths of the weighted votes of the members present and voting.
Which of the above combination of statements is correct?
(A) I and II only
(B) II and IV only
(C) I, II and III
(D) II, III and IV

12. In the voting structure of the GST Council, what is the weightage assigned to the vote of the Central Government?
(A) One-half of the total votes cast
(B) One-third of the total votes cast
(C) Two-thirds of the total votes cast
(D) One-fourth of the total votes cast

13. Which of the following is a primary function of the GST Council?
(A) Recommending goods and services subject to or exempt from GST
(B) Formulating and presenting the annual Union Budget in Parliament
(C) Deciding monetary policies and benchmark rates for commercial banks
(D) Processing and auditing individual income tax returns across states

14. Consider the following statements regarding the types of GST:
I. CGST is levied by the Central Government on intra-state supplies.
II. SGST is levied by the State Government on inter-state supplies.
III. IGST is collected by the Central Government and apportioned between the Centre and the States.
Which of the above combination of statements is correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

15. Which of the following represents the correct sequence of standard regular GST tax slabs currently applicable on various goods and services in India, arranged from the lowest rate to the highest rate?
(A) 0%, 5%, 12%, 18%, 28%
(B) 5%, 10%, 15%, 20%, 25%
(C) 0%, 8%, 14%, 20%, 28%
(D) 5%, 12%, 18%, 24%, 32%

16. Which of the following sectors/services is generally exempted from the levy of Goods and

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Services Tax (GST) to ensure accessibility for the common citizens?
(A) Telecommunication and internet services
(B) Financial intermediation and banking services
(C) Healthcare and educational services
(D) Restaurant, hotel, and catering services

17. The implementation of GST is said to promote the "formalization of the economy." What does this primarily imply?
(A) Transitioning workers from rural agricultural activities into formal urban industrial manufacturing units.
(B) Integrating unorganized and informal businesses into the regulatory and tax compliance framework.
(C) Mandating that commercial economic transactions be conducted strictly through physical cash channels.
(D) Discouraging and restricting digital payment systems among small vendors to reduce operational costs.

18. What is the role of the Goods and Services Tax Network (GSTN)?
(A) It is a specialized central enforcement agency responsible for detecting and arresting major tax evaders.
(B) It is a physical monitoring network of automated toll plazas across all inter-state economic borders.
(C) It is a specialized banking institution providing short-term commercial loans to businesses for GST liabilities.
(D) It is the technology backbone providing IT infrastructure and digital services for GST implementation.

19. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): The introduction of GST has significantly reduced the cascading effect of taxes.
Reason (R): Under the GST regime, the Input Tax Credit (ITC) mechanism is available across the supply chain, ensuring that tax is levied only on the value addition at each stage.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

20. Match the pre-GST taxes in List-I with their characteristic nature/collecting authority in List-II.
List I: Pre-GST Taxes
P. Octroi
Q. Central Excise Duty
R. Service Tax
S. Value Added Tax (VAT)
List II: Characteristic Nature / Collecting Authority
1. Tax on manufacture of goods, levied by the Centre
2. Tax on intra-state sale of goods, levied by the States
3. Tax on the entry of goods into a municipality for use or sale
4. Tax on provision of services, levied by the Centre
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-4, R-1, S-2

21. Under the GST framework, what is the general threshold value of a consignment above which generating an E-way bill is mandatory for inter-state movement of goods?
(A) Rs. 10,000
(B) Rs. 50,000
(C) Rs. 1,00,000
(D) Rs. 5,00,000

22. Which of the following is commonly cited as a major compliance challenge for Micro, Small, and Medium Enterprises (MSMEs) under the GST regime?
(A) Obtaining mandatory statutory exemptions from all forms of registration across all federal and state tax jurisdictions.
(B) Facing strict legal prohibitions against selling commercial goods to retail consumers situated outside their home state.
(C) Meeting the compulsory regulatory requirement to discharge all monthly GST liabilities exclusively in foreign currency.
(D) Filing multiple complex returns while ensuring exact invoice matching to claim eligible Input Tax Credit.

23. What is the basic concept behind imposing a basic Customs Duty on imported goods?
(A) To enforce a complete national embargo banning the entry of all foreign commercial goods into the domestic market.

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(B) To generate state revenue and protect domestic manufacturing industries from cheap foreign competition.
(C) To act as a complete substitute for personal Income Tax levied on foreign citizens residing and working in India.
(D) To directly incentivize and promote the large-scale export of critical industrial raw materials from the country.

24. Consider the following statements regarding Tax Buoyancy:
I. Tax buoyancy measures the responsiveness of tax revenue growth to changes in the GDP.
II. A tax buoyancy greater than 1 indicates that tax revenues are growing faster than the GDP.
III. High tax buoyancy is generally considered a negative indicator for an economy.
Which of the above combination of statements is correct?
(A) I and III only
(B) II and III only
(C) I and II only
(D) I, II and III

25. The primary purpose of Double Taxation Avoidance Agreements (DTAA) signed between two countries is to:
(A) Ensure that multinational corporations pay double the standard tax rate across both contracting jurisdictions.
(B) Eliminate all forms of import customs duties on raw materials and finished goods traded between two nations.
(C) Allow wealthy individual investors to legally hide income in offshore accounts without incurring tax liabilities.
(D) Prevent the same income from being taxed in both the country of source and the country of residence.

26. Which of the following best differentiates "Tax Evasion" from "Tax Avoidance"?
(A) Evasion is illegal tax non-payment, while avoidance legally minimizes tax liability using statutory provisions.
(B) Evasion refers to legally utilizing available tax exemptions, whereas avoidance refers to illegally concealing earned income.
(C) Evasion is a regulatory doctrine applicable only to corporate entities, whereas avoidance applies only to natural individuals.
(D) Evasion is a framework applicable exclusively to indirect taxes, whereas avoidance applies strictly to direct income taxes.

27. Upon the implementation of GST, the Central Government guaranteed compensation to the States for any loss of revenue for a specific period. How long was this initial guaranteed compensation period?
(A) 3 years
(B) 5 years
(C) 10 years
(D) 15 years

28. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Basic Customs Duty was not subsumed into the Goods and Services Tax (GST).
Reason (R): GST is fundamentally a tax on domestic consumption and supply, whereas Basic Customs Duty is a sovereign tool used to regulate international trade and protect domestic markets.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

29. In the context of recent GST reforms, what is the primary objective of the "rate rationalization" committees or Group of Ministers (GoM) set up by the GST Council?
(A) To review tax rates, address duty anomalies, and evaluate merging slabs for structural simplification.
(B) To entirely dismantle the Goods and Services Tax network and revert national taxation to the former state-level VAT system.
(C) To permanently increase the highest slab rate from 28% to 50% across all commercial goods and consumer services nationwide.
(D) To completely transfer administrative tax collection powers from central and state authorities to local village panchayats.

30. How did the implementation of GST contribute to creating a unified common market in India?
(A) By legally obligating all federal states to adopt a single mandatory official language for commercial business documentation.
(B) By mandating that all national industrial

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and manufacturing activities take place within a designated Special Economic Zone.
(C) By removing inter-state check posts and standardizing rates across state borders for free trade.
(D) By establishing and regulating a newly unified single national electronic currency for all domestic inter-state trade.

31. Under the post-GST regime, the taxation mechanism shifted significantly from an "origin-based" tax system to a:
(A) Centralized manufacturer-based indirect tax system
(B) Nationally standardized export-heavy tax system
(C) Uniform flat wealth tax system across all sectors
(D) Destination-based consumption tax system

32. Consider the following statements regarding the Income Tax structure in India:
I. Income tax is a progressive tax where higher income brackets attract higher tax rates.
II. Agricultural income is generally exempt from central income tax in India.
III. The new tax regime offers higher basic exemption limits compared to the old regime.
IV. Under the new tax regime, individuals can still claim standard deductions like House Rent Allowance (HRA) and Leave Travel Allowance (LTA) without any restrictions.
Which of the above combination of statements is incorrect?
(A) I and II only
(B) III only
(C) IV only
(D) II and IV only

33. The Government of India announced significant corporate tax rate cuts in recent years, lowering the base rate for new manufacturing companies to 15%. What was the primary macroeconomic rationale for this policy?
(A) To immediately narrow the national fiscal deficit by collecting lower aggregate corporate tax receipts from domestic firms.
(B) To attract domestic and foreign investment in manufacturing and stimulate broader economic growth.
(C) To actively discourage commercial companies from establishing industrial manufacturing facilities in undeveloped rural areas.
(D) To systematically increase the statutory tax compliance and reporting burden on small and medium-sized private enterprises.

34. In the event of a dispute arising out of recommendations of the GST Council between the Government of India and one or more States, who has the primary mandate to establish a mechanism to adjudicate the dispute?
(A) The Supreme Court of India
(B) The Finance Commission
(C) The Parliament of India
(D) The GST Council itself

35. Arrange the following taxation-related events in India in the correct chronological order of their occurrence:
I. Implementation of the Goods and Services Tax (GST)
II. Enactment of the overarching Income Tax Act currently in force
III. Introduction of Value Added Tax (VAT) in majority of the States
IV. Historic cut in corporate tax rates to boost "Make in India"
(A) II, III, I, IV
(B) III, II, I, IV
(C) II, I, III, IV
(D) I, II, IV, III

36. Consider the following goods:
I. Unpacked food grains
II. Alcoholic liquor for human consumption
III. Petroleum crude
Which of the above goods are currently outside the purview of GST (i.e., GST is not levied on them)?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

37. In an inter-state supply of goods, Integrated Goods and Services Tax (IGST) is collected by the Central Government. How is the destination state's share of revenue realized?
(A) The Centre apportions the destination state's IGST share based on final consumption.
(B) The central government permanently retains the entire collected IGST revenues without transferring funds to any state.
(C) The destination state directly levies and collects an additional SGST component directly from the buyer on inter-state sales.
(D) The originating manufacturing state collects

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the full revenue and subsequently transfers the required share to the destination state.

38. What is the primary economic rationale for maintaining multiple tax slabs (0%, 5%, 12%, 18%, 28%) under the GST regime rather than a single flat rate?
(A) To create administrative complexity that intentionally encourages private businesses to rely heavily on professional tax consultants.
(B) To maximize aggregate state tax revenues by placing the highest rate brackets on basic agricultural commodities and essential goods.
(C) To discourage industrial expansion by keeping tax rates on manufacturing inputs in a state of continuous and unpredictable fluctuation.
(D) To tax essential items lightly and luxury items heavily, thereby mitigating the regressive impact of indirect taxation.

39. Match the following GST compliance forms in List-I with their primary purpose in List-II.
List I: GST Compliance Forms
P. GSTR-1
Q. GSTR-3B
R. GSTR-9
S. CMP-08
List II: Primary Purpose
1. Summary return for declaring liability and paying tax
2. Statement of outward supplies (sales return)
3. Statement-cum-challan for composition scheme taxpayers
4. Annual GST Return
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

40. Which of the following determines the validity period of an E-way bill generated for the movement of goods?
(A) The overall declared monetary invoice value of the transported goods
(B) The specific technical category and axle weight of the transport vehicle
(C) The distance over which the goods are being transported
(D) The annual aggregated commercial turnover of the supplying enterprise

41. In the context of GST, the term "Input Tax Credit" (ITC) means:
(A) Securing a specialized low-interest commercial bank loan explicitly designated to pay accrued GST liabilities on raw material inputs.
(B) The total cumulative indirect tax levied directly on the final output at the point of sale to the ultimate retail consumer.
(C) A direct budgetary cash subsidy provided by the central government to domestic manufacturing enterprises for exporting goods abroad.
(D) Offsetting tax paid on input goods and services against the tax payable on the final output supply.

42. Consider the following taxes:
I. Entertainment tax levied by local bodies
II. Stamp Duty on real estate transactions
III. Octroi and Entry Tax
IV. State Excise on alcohol
Which of the above combination of taxes were NOT subsumed into GST?
(A) I and II only
(B) II and IV only
(C) III and IV only
(D) I, II and IV

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43. The "Tax-to-GDP ratio" of a country is a critical macroeconomic indicator. A higher tax-to-GDP ratio generally signifies:
(A) A severe structural economic contraction indicating that the national economy has entered a deep recession.
(B) A broader tax base and higher compliance, signaling an increasingly formalized economy.
(C) A situation where the central government is drastically overspending on unproductive social subsidy programs.
(D) A systemic financial condition where a substantial portion of national commerce operates in the informal sector.

44. Under a Double Taxation Avoidance Agreement (DTAA), how do countries typically provide relief to taxpayers?
(A) By legally compelling individual and corporate taxpayers to formally renounce their primary citizenship prior to cross-border trading.
(B) Through Exemption (taxing income in one nation only) or Tax Credit (crediting tax paid abroad against home tax liability).

(C) By systematically levying an additional sovereign surcharge and regulatory cess on all outgoing cross-border financial transactions.
(D) By granting full statutory immunity and completely waiving off all local and national tax obligations for foreign multinational firms.

45. Which of the following is the correct prescribed sequence for the utilization of Integrated Goods and Services Tax (IGST) input tax credit by a taxpayer?
(A) First against IGST liability, then against CGST and SGST liabilities in any order or proportion.
(B) First exclusively against SGST liability, subsequently against CGST liability, and finally towards any remaining IGST liability.
(C) First exclusively against CGST liability, with any remaining credit balance being equally divided between IGST and SGST liabilities.
(D) IGST credit is strictly restricted to settling IGST liability and is legally prohibited from offsetting CGST or SGST liabilities.

46. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Tax avoidance is considered a legal practice, whereas tax evasion is a criminal offense.
Reason (R): Tax avoidance involves the deliberate concealment of income using fraudulent means, while tax evasion involves utilizing the loopholes in tax laws to reduce tax liability.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

47. To fund the GST compensation guaranteed to States for a period of 5 years, the Central Government created a GST Compensation Fund. How is revenue generated for this fund?
(A) By securing long-term structural adjustment loans directly from international development institutions like the World Bank.
(B) By reallocating emergency financial reserves from the National Disaster Response Fund to cover federal fiscal revenue gaps.
(C) By authorizing the Reserve Bank of India to print additional fiat currency to directly monetize the state revenue shortfall.
(D) By levying a dedicated GST Compensation Cess on specified luxury and demerit goods.

48. What was a major logistical benefit observed in the supply chain sector due to the removal of inter-state check posts after GST implementation?
(A) A dramatic increase in total transit times required for commercial freight trucks to travel across key economic state borders.
(B) The regulatory necessity for freight shippers to hire multiple distinct regional transport companies for a single inter-state journey.
(C) Lower truck turnaround times and enhanced operational efficiency across national logistics networks.
(D) A steep financial increase in the operational cost of hiring specialized manual labor for loading and unloading at state border points.

49. Before GST, Value Added Tax (VAT) was introduced to replace the traditional sales tax system. What was the primary problem with the old sales tax system that VAT aimed to solve?
(A) The tax statutory framework was overly transparent, making administrative burden low and compliance too easy for small firms to calculate.
(B) It caused a cascading tax-on-tax effect across sales stages due to the lack of input credit.
(C) The levy was legally restricted to foreign imported goods, completely excluding domestically manufactured items from sales tax.
(D) The tax was collected exclusively by the Central Government, starving state treasuries of essential independent revenue streams.

50. Consider the following statements regarding the E-way bill system under GST:
I. It acts as an effective tool to track the movement of goods and check tax evasion.
II. It is mandatory only for the movement of goods through air transport.
III. The responsibility to generate an E-way bill can fall on the consignor, consignee, or the transporter.
Which of the above combination of statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

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51. Which of the following is NOT an example of a direct tax?
(A) Service Tax
(B) Corporate Tax
(C) Capital Gains Tax
(D) Securities Transaction Tax

52. Match the following items in List-I with their current GST status in List-II.
List I: Items
P. Fresh milk and vegetables
Q. Gold and precious stones
R. Motor vehicles
S. Aviation Turbine Fuel (ATF)
List II: Current GST Status
1. Attracts special GST slab rate of 3%
2. Outside the purview of GST currently
3. Exempted from GST (0%)
4. Attracts peak GST slab of 28% (along with cess)
(A) P-3, Q-1, R-4, S-2
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-3, R-2, S-4
(D) P-2, Q-1, R-4, S-3

53. Regarding the recent changes in the personal income tax regime, which of the following is true for the financial year 2023-24 onwards?
(A) The new tax regime is the default option, while taxpayers retain the choice to opt for the old regime.
(B) The new tax regime has been rendered strictly mandatory for all individual taxpayers without any statutory exceptions.
(C) The legacy tax regime has been completely repealed and permanently abolished across all taxpayer categories.
(D) The fundamental income exemption threshold under the new tax regime has been significantly reduced relative to prior fiscal years.

54. In the context of corporate taxation in India, which of the following statements is generally accurate?
(A) Domestic enterprises and foreign corporate entities are legally subject to identical statutory corporate tax rates across all brackets.
(B) Corporate income tax is calculated and levied directly on gross annual business turnover, regardless of whether a firm makes a profit or loss.
(C) Eligible commercial start-ups enjoy a statutory, permanent exemption from paying any corporate tax throughout their operational existence.
(D) Foreign companies are generally subject to a higher corporate tax rate than domestic firms.

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55. Who among the following serves as the Chairperson of the GST Council?
(A) Prime Minister of India
(B) Union Finance Minister
(C) Governor of the Reserve Bank of India
(D) Finance Secretary of India

56. In an intra-state supply of goods (e.g., a seller in Jaipur selling to a buyer in Jodhpur), which taxes are levied under the GST framework?
(A) Only Integrated Goods and Services Tax (IGST)
(B) Only State Goods and Services Tax (SGST)
(C) Both CGST and SGST
(D) Only Central Goods and Services Tax (CGST)

57. The highest standard GST slab of 28% is generally applied to which category of items?
(A) Essential raw food commodities and life-saving pharmaceutical drugs
(B) Heavy agricultural machinery, industrial equipment, and chemical fertilizers
(C) Traditional handloom products, cottage industry goods, and spun khadi
(D) Luxury items and demerit goods such as tobacco and aerated drinks

58. How are standard educational services provided by schools and recognized colleges treated under the GST regime?
(A) They are exempt from GST.
(B) They are taxed at a flat rate of 18%.
(C) They are taxed at the peak rate of 28%.
(D) They are classified as luxury services and subject to a cess.

59. To reduce the compliance burden on small businesses with a limited turnover under GST, the government introduced a simplified scheme where they pay tax at a fixed, lower rate without the facility of Input Tax Credit. What is this scheme called?
(A) Exemption Scheme
(B) Composition Scheme
(C) Formalization Scheme
(D) Input Credit Scheme

60. Under Section 17(5) of the Central Goods and Services Tax (CGST) Act, Input Tax Credit (ITC) is explicitly blocked for certain supplies. On which of the following is ITC generally NOT available?
(A) Raw materials and industrial components purchased for manufacturing consumer goods
(B) Motor vehicles purchased for personal transportation of corporate employees
(C) Desktop computers and IT hardware equipment purchased for office financial accounting
(D) Specialized protective packing materials used for storing and shipping finished products

61. Consider the following statements regarding the broader economic impact of GST:
I. It has led to the creation of a national unified market.
II. It has entirely eliminated the informal sector from the Indian economy.
III. It has simplified tax administration by replacing multiple complex indirect tax laws.
IV. It has enabled the tracking of supply chains digitally, reducing the scope for black money generation.
Which of the above combination of statements is correct?
(A) I, II and III
(B) I, III and IV
(C) II, III and IV
(D) I, II, III and IV

62. Which local tax, traditionally collected by municipal authorities upon the entry of goods into a local area for consumption, was subsumed under GST?
(A) Property Tax
(B) Professional Tax
(C) Octroi
(D) Water Tax

63. What is the standard consequence for substantial tax evasion detected by authorities?
(A) The entire evaded tax amount is converted into an interest-free long-term government loan.
(B) The non-compliant taxpayer is legally mandated to invest evaded sums into sovereign infrastructure bonds.
(C) The tax entity is legally permitted to transfer the full accrued tax liability directly onto its workplace employees.
(D) Imposition of heavy penalties, interest charges, and potential criminal prosecution.

64. Arrange the sequential steps typically involved in the GST lifecycle for a regular business transaction:
I. Buyer claims Input Tax Credit based on the filed return
II. Supplier files GSTR-1 detailing outward supplies
III. Supplier and buyer agree on a transaction and generate a tax invoice
IV. Supplier files GSTR-3B and pays the net tax liability
(A) III, II, IV, I
(B) I, II, III, IV
(C) III, IV, II, I
(D) II, I, III, IV

65. The GST Council occasionally forms a Group of Ministers (GoM) to look into "Rate Rationalization." This exercise is primarily meant to:
(A) Expand the existing number of tax slabs from five to ten distinct statutory rate brackets.
(B) Review the tax structure, correct inverted duty issues, and suggest slab mergers.
(C) Eliminate the SGST component completely and transfer all indirect tax collections to the Central Government.
(D) Extend the purview of GST to encompass personal direct income tax levies and commercial agricultural yields.

66. In the context of GST, the "destination principle" implies that:
(A) Tax revenue accrues to the state where the goods or services are produced.
(B) Tax revenue accrues entirely to the Central Government regardless of consumption.
(C) Tax revenue is equally divided among all states in India.
(D) Tax revenue accrues to the state where the goods or services are consumed.

67. Which of the following statements correctly identifies the status of Basic Customs Duty (BCD) after the implementation of GST?
(A) BCD continues on imports, with IGST levied in addition to BCD.
(B) Basic Customs Duty has been permanently abolished and replaced entirely by the IGST framework.

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(C) Basic Customs Duty has been structurally merged into the existing Central Excise Duty mechanism.
(D) Basic Customs Duty collection rights have been transferred from the Central Government to State Governments.

68. Under a Double Taxation Avoidance Agreement (DTAA), which document is primarily required by a non-resident to claim tax treaty benefits in India?
(A) A valid biometric Aadhaar Card issued by Indian authorities
(B) An official Voter Identification Card issued by their native home country
(C) A Tax Residency Certificate from their home country
(D) An official corporate Certificate of Incorporation registered in India

69. Following the end of the 5-year GST compensation guarantee period in June 2022, what dispute arose between several State Governments and the Central Government?
(A) States demanded extending GST compensation due to pandemic-related revenue shortfalls.
(B) States formally requested that all national GST collections be handed over directly to the Central Government for disbursement.
(C) States officially petitioned the Central Government to permanently reclaim the constitutional power to levy local Value Added Tax.
(D) States unanimously demanded that the constitutional GST Council be dissolved permanently due to irreconcilable policy differences.

70. One of the fundamental advantages of GST is the "seamless flow of credit." This specifically means:
(A) Commercial banks are legally mandated to lend capital to registered businesses without requiring any physical collateral asset.
(B) Business customers automatically receive extended and unlimited commercial credit payment periods directly from raw material suppliers.
(C) Registered taxpayers are permitted to defer their monthly indirect tax liabilities indefinitely without incurring financial interest penalties.
(D) Taxes paid at earlier supply chain stages offset final tax liabilities seamlessly across state borders.

71. The Goods and Services Tax Network (GSTN) is structured as a:
(A) Specialized administrative department operating entirely under the Union Ministry of Finance
(B) Non-profit, non-government, Section 8 private limited company
(C) Permanent constitutional body created under the explicit provisions of Article 280 of the Constitution
(D) Autonomous statutory body established through a dedicated enabling Act of the Indian Parliament

72. According to the Constitution (One Hundred and First Amendment) Act, what is the quorum required to constitute a valid meeting of the GST Council?
(A) One-fourth of the total number of members
(B) One-third of the total number of members
(C) One-half of the total number of members
(D) Two-thirds of the total number of members

73. Which authority is responsible for the administration and collection of the Integrated Goods and Services Tax (IGST) in India?
(A) The State Government where the goods are consumed
(B) The Inter-State Council
(C) The Reserve Bank of India
(D) The Central Government

74. Which of the following is true regarding the surcharge levied on individual income tax in India?
(A) It is a percentage levy on income tax payable, targeting high earners.
(B) It applies uniformly across all registered individual taxpayers irrespective of their total taxable income bracket.
(C) It is a compulsory flat administrative assessment fee of exactly Rs. 10,000 imposed per registered taxpayer annually.
(D) It is fully deductible as an allowable business expense from the gross aggregated taxable income during assessment.

75. To boost the "Make in India" initiative, the Taxation Laws (Amendment) Act of 2019 provided an option for new domestic

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manufacturing companies to pay corporate tax at a concessional base rate of:
(A) 25%
(B) 22%
(C) 15%
(D) 10%

76. The structure of GST in India is often referred to as a "Dual GST" model. This is because:
(A) It operates exclusively using exactly two standard statutory tax slabs across all product categories.
(B) Central and State governments simultaneously levy tax on a common base.
(C) It applies strictly to tangible commercial goods while completely excluding intangible consumer services.
(D) It mandates that businesses pay tax twice on the exact same commercial transaction without offset facilities.

77. In GST terminology, what is the key difference between an "Exempt Supply" and a "Zero-rated Supply" (like exports)?
(A) Exempt supplies do not allow ITC recovery, while zero-rated supplies allow ITC claims/ refunds.
(B) They represent legally identical statutory concepts under GST rules, carrying no practical or operational tax difference.
(C) Exempt supplies apply strictly to consumer services, whereas zero-rated supplies apply exclusively to tangible physical goods.
(D) Zero-rated supplies are classified as illegal commercial transactions, whereas exempt supplies are fully permissible under the law.

78. If a country's GDP grows by 8% in a year and its total tax collection grows by 12% in the same year, the tax system is demonstrating:
(A) Tax buoyancy significantly less than 1
(B) A highly regressive national tax structure
(C) Tax buoyancy greater than 1
(D) A severe cascading tax effect

79. While tax evasion is illegal, "Tax Mitigation" is considered legally permissible. Tax mitigation typically involves:
(A) Systematically falsifying business sales invoices and financial books to fraudulently reduce total aggregate turnover.
(B) Structuring commercial transactions artificially to exploit statutory loopholes without breaking the literal wording of tax law.
(C) Directly bribing public tax assessment officials to deliberately delay or suppress official tax auditing proceedings.
(D) Arranging affairs to legitimately utilize tax incentives and deductions provided by law.

80. From a macroeconomic perspective, the removal of inter-state check posts and the implementation of a single national tax rate under GST primarily aimed to:
(A) Intentionally increase the transit time for heavy commercial cargo to enhance national highway road safety standards.
(B) Substantially enhance the direct local tax revenue collection capabilities of rural panchayats and municipal bodies.
(C) Reduce logistics costs, cut transit delays, and improve ease of doing business.
(D) Systematically discourage domestic trade between federal states in favor of encouraging international foreign imports.

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ANSWERS

1. (B) In a direct tax, the incidence and impact fall on the same person, whereas in an indirect tax, they fall on different persons.
Direct taxes are levied directly on an individual's or entity's income or wealth, meaning the tax burden cannot be shifted to another party. Consequently, the initial monetary impact and the ultimate tax incidence rest upon the same person. Conversely, indirect taxes are levied on goods and services, allowing the statutory tax liability to be passed along to final consumers.

2. (D) Corporate Tax
Corporate tax is a direct tax imposed by the Central Government on the net profits earned by corporate entities incorporated in India or operating within its jurisdiction. Because the financial liability and actual tax burden fall directly on the earning corporation without any capability to shift the burden to third parties, it functions as a primary direct revenue stream.

3. (A) The new regime offers lower concessional tax rates but requires the taxpayer to forego most of the traditional deductions and exemptions.
The new personal income tax regime introduced under Section 115BAC simplifies tax administration by offering lower concessional tax slab rates across various income slabs. However, to access these reduced tax rates, individual taxpayers must forego major traditional tax exemptions and deductions, such as House Rent Allowance, Leave Travel Allowance, and investments under Chapter VI-A including Section 80C.

4. (C) To collect additional revenue specifically from taxpayers in higher income brackets.
A surcharge is an extra tax levied on the amount of income tax payable rather than on the total taxable income itself. It is designed as a progressive fiscal instrument aimed at generating additional central revenues from high-net-worth individuals and corporate entities earning above specified threshold levels, thereby enhancing the overall equity and redistribution objectives of direct tax policies.

5. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Indirect taxes are levied uniformly on consumption items without considering the income or financial capacity of the purchaser. Consequently, low-income earners pay the same statutory tax on a commodity as high-income earners, causing the tax to consume a larger proportion of a poor person's income. This inherent flat operational structure explains why indirect taxes are criticized as regressive.

6. (D) Introduction of the Goods and Services Tax framework
The Constitution (One Hundred and First Amendment) Act, 2016 introduced landmark structural tax reforms in India by enabling the concurrent power of the Union and State legislatures to make laws governing indirect taxation. This amendment inserted Article 246A, Article 279A, and related provisions, creating the statutory and constitutional foundation for rolling out the comprehensive Goods and Services Tax system.

7. (B) Unify the domestic market by subsuming various central and state indirect taxes into a single tax framework.
The vision of 'One Nation, One Tax' represents the economic integration of India's domestic trade market under the Goods and Services Tax regime. By replacing a fragmented system of disparate state taxes, central excises, and service charges with a standardized framework, the reform eliminates cross-border trade distortions and creates a seamless national market across all states.

8. (A) P-3, Q-2, R-1, S-4
Fiscal terms are categorized according to their distinct administrative features and statutory purposes. A surcharge is an extra levy on income tax payable by high earners. Minimum Alternate Tax applies to zero-tax companies reporting book profits. A tax holiday provides temporary tax relief to encourage commercial investment, while a cess is collected for dedicated sector-specific development projects.

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9. (D) Value Added Tax (VAT)
Prior to the implementation of the unified Goods and Services Tax framework, Value Added Tax was an indirect state-level levy imposed directly by individual State Governments on the intra-state sale of commercial goods. In contrast, Central Excise Duty, Service Tax, and Additional Customs Duty were central taxes administered and collected directly by the Union Government under constitutional legislative entries.

10. (A) Basic Customs Duty
Basic Customs Duty is imposed on imported goods under the Customs Act of 1962 and serves as a crucial trade policy instrument for regulating international commerce and protecting domestic manufacturing sectors. Consequently, it was intentionally kept outside the scope of the Goods and Services Tax structure, whereas domestic central levies like Excise Duty and Service Tax were completely subsumed.

11. (B) II and IV only
The GST Council is a constitutional body established under Article 279A of the Indian Constitution, chaired by the Union Finance Minister. Decisions within the council require a weighted majority of at least three-fourths of the votes cast by present and voting members, where the Central Government holds one-third of the total weighted vote and all State Governments combined hold two-thirds.

12. (B) One-third of the total votes cast
Under Article 279A of the Constitution of India, the decision-making framework of the GST Council relies on a weighted voting system to uphold cooperative federalism. In this mechanism, the vote of the Central Government carries a weightage equal to one-third of the total votes cast, while the combined votes of all State Governments hold a weightage of two-thirds.

13. (A) Recommending goods and services subject to or exempt from GST
Article 279A mandates the GST Council as the joint constitutional forum responsible for issuing official recommendations to the Union and State Governments. Its statutory duties include determining tax rates, recommending which goods or services are subject to or exempted from GST, formulating model GST laws, deciding threshold limits for registration, and establishing principles governing place of supply rules across states.

14. (B) I and III only
Under India's dual GST model, Central GST (CGST) and State GST (SGST) are concurrently levied on intra-state supplies by the Centre and respective State Governments, respectively. On inter-state transactions, Integrated GST (IGST) is collected by the Central Government and subsequently apportioned between the Centre and the destination State, maintaining the destination-based principle of the overall indirect tax framework.

15. (A) 0%, 5%, 12%, 18%, 28%
The Goods and Services Tax framework in India is structured around five standard tax slab rates: 0%, 5%, 12%, 18%, and 28%. Essential food commodities and basic services are placed under the exempt or 5% brackets, mass consumption items fall into 12% or 18%, while luxury items and demerit goods attract the highest 28% rate.

16. (C) Healthcare and educational services
To keep essential public amenities accessible and affordable for all citizens, the Central Government exempts core educational and healthcare services from GST. This social policy ensures that basic school and university education provided by recognized institutions, along with medical consultations, diagnostic procedures, and treatment facilities offered by clinical establishments, remain free from indirect tax burdens across the country.

17. (B) Integrating unorganized and informal businesses into the regulatory and tax compliance framework.
Formalization of the economy refers to bringing unorganized business units into the formal financial ecosystem. GST encourages this transition because businesses must obtain registration and maintain digital invoice trails to claim Input Tax Credit. Consequently, unorganized entities are incentivized to register, adopt digital filing systems, and adhere to regulatory tax structures to maintain commercial viability with formal market players.

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18. (D) It is the technology backbone providing IT infrastructure and digital services for GST implementation.
The Goods and Services Tax Network is a non-government technology company that serves as the central digital portal for GST administration. It manages the complex IT infrastructure required to process user registrations, return filings, invoice matching, payment processing, and Input Tax Credit calculations, thereby facilitating seamless digital interaction between taxpayers and central or state tax authorities.

19. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Cascading tax effects occur when taxes are imposed on previously taxed inputs, resulting in a tax on tax. GST eliminates this distortion by establishing a continuous credit chain where taxpayers claim Input Tax Credit for taxes paid on inputs. Consequently, tax is levied only on the incremental value addition at each stage, directly reducing overall cascading effects.

20. (A) P-3, Q-1, R-4, S-2
Different pre-GST indirect levies maintained specific operational features and jurisdictions. Octroi was a local tax imposed by municipal authorities on goods entering their territories. Central Excise Duty was levied by the Union Government on domestic manufacturing. Service Tax was a central levy assessed on service provisioning, while Value Added Tax was administered by State Governments on intra-state sales.

21. (B) Rs. 50,000
Under the Goods and Services Tax regulatory rules, an E-way bill is an electronic document mandatory for the physical movement of goods exceeding a consignment value of Rs. 50,000. Generated on the central portal before transportation begins, it contains detailed information regarding the consignor, consignee, goods value, and transport vehicle to monitor goods movement and prevent tax evasion.

22. (D) Filing multiple complex returns while ensuring exact invoice matching to claim eligible Input Tax Credit.
Micro, Small, and Medium Enterprises frequently experience compliance operational bottlenecks due to strict digital reporting procedures under GST. They must regularly submit multiple periodic returns, maintain exact invoice-level reconciliation with suppliers' filings, and ensure technological accuracy. Any discrepancies in invoice matching delay or block Input Tax Credit utilization, creating temporary cash flow strains and administrative overhead for small entities.

23. (B) To generate state revenue and protect domestic manufacturing industries from cheap foreign competition.
Basic Customs Duty is levied on international goods entering a nation's sovereign borders. This tariff serves a dual macroeconomic function: it raises fiscal revenue for the government and elevates the market prices of imported items relative to locally made products, thereby safeguarding domestic manufacturers and emerging industries against aggressive foreign competition and dumping practices.

24. (C) I and II only
Tax buoyancy measures how effectively tax revenue collection expands in response to national economic growth as reflected in Gross Domestic Product. A tax buoyancy value greater than one demonstrates that revenue collection grows at a faster rate than economic output, reflecting high tax elasticity, structural efficiency, and improved compliance, making high buoyancy a positive economic indicator.

25. (D) Prevent the same income from being taxed in both the country of source and the country of residence.
Double Taxation Avoidance Agreements are bilateral tax conventions negotiated between two sovereign nations to eliminate double taxation on cross-border earnings. By granting tax credits or specifying exclusive taxing rights, DTAAs ensure that individual taxpayers and multinational businesses are not subject to income tax on the exact same income in both the source nation and residence nation.

26. (A) Evasion is illegal tax non-payment, while avoidance legally minimizes tax liability using statutory provisions.
Tax evasion represents illegal actions taken to reduce tax liability through active fraud, deliberate non-disclosure of income, or falsifying accounting records, carrying penal and criminal sanctions. Conversely, tax avoidance involves legally arranging financial affairs using statutory deductions, exemptions, and allowances provided

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within tax legislation to reduce overall payable taxes without breaking tax laws.

27. (B) 5 years
Under the Goods and Services Tax (Compensation to States) Act of 2017, the Union Government legally committed to compensate states for any revenue losses incurred due to GST implementation. This compensation guarantee covered a transitional period of five years from July 1, 2017, to June 30, 2022, calculated against a projected fourteen percent annual growth baseline.

28. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Basic Customs Duty was excluded from GST subsumption because it regulates international cross-border trade and protects domestic industries from foreign imports. GST targets domestic production, consumption, and internal supply chains. Consequently, Basic Customs Duty remains an independent tariff instrument levied at borders, with Integrated GST applied on top of the imported product's assessable custom value.

29. (A) To review tax rates, address duty anomalies, and evaluate merging slabs for structural simplification.
The GST Council forms specialized Groups of Ministers to undertake rate rationalization exercises aimed at optimizing the indirect tax regime. Their primary objective is to review current slab allocations, rectify inverted duty structures where inputs face higher rates than outputs, evaluate potential slab mergers, and streamline statutory tax classifications to enhance revenue efficiency and ease compliance.

30. (C) By removing inter-state check posts and standardizing rates across state borders for free trade.
GST unified the Indian market by eliminating fragmented state tax barriers and abolishing inter-state fiscal check posts. Standardizing indirect tax rates across all states allowed commercial goods to move freely across state borders without local entry taxes or logistical delays. This streamlined national supply chains, drastically reduced transport turnaround times, and facilitated frictionless domestic economic integration.

31. (D) Destination-based consumption tax system
Prior to GST implementation, Indian indirect taxation followed an origin-based model where tax revenue accrued to the manufacturing state. GST fundamentally shifted this paradigm to a destination-based consumption framework. Under this system, tax liability arises at the point of final consumption, ensuring that the destination state where goods or services are actually consumed receives the tax revenue.

32. (C) IV only
The personal income tax framework follows progressive tax rates, exempts agricultural income under Section 10(1), and features higher basic exemption limits under the new tax regime. However, individual taxpayers opting for the new tax regime are statutory prohibited from claiming major personal exemptions, including House Rent Allowance and Leave Travel Allowance, making statement IV incorrect.

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33. (B) To attract domestic and foreign investment in manufacturing and stimulate broader economic growth.
The Taxation Laws (Amendment) Act of 2019 slashed corporate tax rates for new domestic manufacturing firms to an effective rate of 15 percent. This supply-side fiscal stimulus was designed to attract global foreign direct investment, boost domestic capital expenditure, make Indian industry internationally competitive, and accelerate domestic industrial manufacturing, employment, and economic growth.

34. (D) The GST Council itself
Under Article 279A(11) of the Indian Constitution, the GST Council is constitutionally mandated to establish an internal mechanism to adjudicate disputes arising out of its recommendations. This mandate applies to disputes between the Union Government and one or more States, or between two or more States, ensuring institutional resolution within cooperative federalism structures.

35. (A) II, III, I, IV
The chronological timeline begins with the Income Tax Act enacted in 1961. State-level Value Added Tax was introduced across most Indian states in 2005 to replace older sales taxes. The Goods and Services Tax was implemented nationwide on July 1, 2017. Finally, historic

corporate tax cuts boosting manufacturing were enacted in September 2019.

36. (B) II and III only
Certain commodities remain constitutionally or statutorily outside the GST framework. Alcoholic liquor for human consumption is constitutionally excluded under Article 366(12A), leaving taxing powers with state governments. Petroleum crude, along with four other petroleum products, is temporarily deferred from GST levy. Conversely, unpacked food grains are within GST purview, though assigned a 0% tax rate.

37. (A) The Centre apportions the destination state's IGST share based on final consumption.
In an inter-state commercial supply, Integrated GST is initially collected in full by the Central Government. To maintain the destination-based consumption principle, the central authority apportions the collected IGST between the Centre and the destination State where final consumption occurs, utilizing data from electronic returns without requiring direct buyer-state tax filings.

38. (D) To tax essential items lightly and luxury items heavily, thereby mitigating the regressive impact of indirect taxation.
Multiple GST rate slabs serve economic equity within indirect taxation. Because flat consumption taxes naturally burden lower-income households disproportionately, essential commodities like unbranded food are taxed at zero or 5 percent. Higher tax slabs, such as 18 or 28 percent, apply to luxury items and demerit goods, ensuring progressive taxation and maintaining state fiscal revenues.

39. (B) P-2, Q-1, R-4, S-3
Statutory GST compliance requirements are managed through specific digital return forms. GSTR-1 contains outward supply details filed by sellers. GSTR-3B acts as a monthly summary return for declaring tax liabilities and paying net tax. GSTR-9 serves as the comprehensive annual GST return, while CMP-08 represents the quarterly payment statement for composition scheme taxpayers.

40. (C) The distance over which the goods are being transported
The statutory validity period of an electronic E-way bill is determined strictly by the total transportation distance of the consignment. Under standard GST rules, an E-way bill remains valid for one day for every 200 kilometers of travel distance or part thereof for regular cargo, with extended time validity provided for over-dimensional cargo conveyances.

41. (D) Offsetting tax paid on input goods and services against the tax payable on the final output supply.
Input Tax Credit is the foundational mechanism of value-added tax systems like GST. It allows a registered business to deduct the indirect taxes paid on business inputs—such as raw materials, capital goods, and operational services—from the tax payable on outward output supplies, ensuring that tax is charged solely on incremental value addition.

42. (B) II and IV only
When GST was implemented, several indirect levies were integrated, but specific duties remained outside its scope. Stamp Duty on property transactions is retained by states under Article 268. State Excise Duty on alcoholic liquor for human consumption is preserved under Entry 51 of the State List. Conversely, entry taxes and municipal octroi were subsumed.

43. (B) A broader tax base and higher compliance, signaling an increasingly formalized economy.
The tax-to-GDP ratio measures total national tax revenue against gross domestic product. A rising ratio indicates that economic activity is effectively captured within the statutory tax net, reflecting expanded tax bases, reduced informal operations, enhanced administrative compliance, and greater state capacity to fund public infrastructure and developmental social expenditures without excessive sovereign borrowing.

44. (B) Through Exemption (taxing income in one nation only) or Tax Credit (crediting tax paid abroad against home tax liability).
Under Double Taxation Avoidance Agreements, nations provide double taxation relief using two primary statutory methods: the Exemption Method and the Tax Credit Method. Under exemption, cross-border income is taxed exclusively in one contracting state, while under the credit method, the taxpayer's home country allows a tax credit for taxes paid in the source country.

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45. (A) First against IGST liability, then against CGST and SGST liabilities in any order or proportion.
According to Section 49 of the CGST Act, taxpayers utilizing Integrated Goods and Services Tax input tax credit must follow a specific statutory sequence. IGST credit must first be fully offset against output IGST liability. Any remaining IGST credit balance can then be applied to discharge output CGST and SGST liabilities in any order or proportion.

46. (C) Assertion (A) is true but Reason (R) is false.
Tax avoidance involves legally minimizing tax obligations by utilizing statutory provisions and exemptions, whereas tax evasion is an illegal offense involving deliberate non-reporting or fraudulent concealment of income. The provided rationale incorrectly reverses these legal definitions by attributing fraudulent concealment to avoidance and statutory exploitation to evasion, making the reason false.

47. (D) By levying a dedicated GST Compensation Cess on specified luxury and demerit goods.
To fund the five-year revenue compensation guaranteed to states under the GST framework, the Central Government enacted the GST (Compensation to States) Act. This statutory mechanism raised dedicated funds by levying a special GST Compensation Cess over and above the 28 percent peak GST rate on specified luxury items and demerit commodities like automobiles, tobacco, and aerated drinks.

48. (C) Lower truck turnaround times and enhanced operational efficiency across national logistics networks.
The implementation of GST abolished physical inter-state tax check posts and entry taxes across state boundaries. This structural reform eliminated long queues, reduced physical verification delays for commercial freight, lowered truck turnaround times significantly, and improved overall operational efficiency across national logistics networks, reducing logistics costs as a percentage of gross domestic product.

49. (B) It caused a cascading tax-on-tax effect across sales stages due to the lack of input credit.
Traditional sales tax systems suffered from systemic inefficiency because taxes were levied on the gross value of goods at each transaction point without providing tax credits for inputs. This produced a cascading tax-on-tax effect, artificially inflating final retail prices. VAT corrected this defect by allowing input tax offsets, ensuring tax applied only to incremental value added.

50. (C) I and III only
The E-way bill system serves as a digital monitoring mechanism under GST to track physical goods movement exceeding Rs. 50,000 across all transport modes, including road, rail, air, and ship. The obligation to generate an E-way bill rests upon the consignor, consignee, or transporter, making statement II incorrect as it is not restricted to air transport.

51. (A) Service Tax
Direct taxes are imposed directly on an individual's or entity's income or financial assets, where the tax burden cannot be passed onto others. Corporate Tax, Capital Gains Tax, and Securities Transaction Tax are direct levies. Service Tax was an indirect levy imposed on service provisions, allowing service providers to shift the tax incidence onto consumers.

52. (A) P-3, Q-1, R-4, S-2
Commodities are subject to specific GST classifications under statutory rules. Unpacked food items and fresh vegetables are exempt from GST (0%). Gold and precious metals attract a special lower tax rate of 3 percent. Motor vehicles fall under the 28 percent peak slab along with cesses, while Aviation Turbine Fuel remains temporarily outside GST purview.

53. (A) The new tax regime is the default option, while taxpayers retain the choice to opt for the old regime.
Starting from Financial Year 2023-24 (Assessment Year 2024-25), the new personal income tax regime under Section 115BAC has been designated as the default tax system for individual taxpayers. However, taxpayers maintain the legal option to manually opt out and select the old tax regime if they wish to claim traditional exemptions and deductions.

54. (D) Foreign companies are generally subject to a higher corporate tax rate than domestic firms.
Indian income tax law differentiates between domestic entities and foreign corporations regarding statutory tax rates. Foreign companies operating within India face a higher basic

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corporate tax rate (traditionally 40 percent, recently reduced to 35 percent) compared to domestic companies (taxed at base rates of 22 percent or 15 percent for new manufacturing units) to balance local industrial support.

55. (B) Union Finance Minister
Under Article 279A(2) of the Constitution of India, the GST Council is chaired by the Union Finance Minister. The council membership comprises the Union Minister of State in charge of Revenue or Finance alongside State Finance Ministers or designated ministers nominated by each State Government, ensuring joint governance over federal indirect tax policies.

56. (C) Both CGST and SGST
In an intra-state transaction where the location of the supplier and the place of supply are within the same State, GST is collected under a dual structure. Central GST (CGST) and State GST (SGST) are concurrently levied on the assessable value, with revenue shared equally between the Centre and the respective State Government.

57. (D) Luxury items and demerit goods such as tobacco and aerated drinks
Under the multi-tiered GST slab structure, the highest standard rate of 28 percent is reserved for luxury items and demerit goods. This tax bracket targets products like motor vehicles, pan masala, tobacco products, and aerated soft drinks, ensuring that non-essential consumption items bear a higher tax burden to discourage consumption and maintain revenue buoyancy.

58. (A) They are exempt from GST.
Core educational services provided by educational institutions to students, faculty, and staff are completely exempt from GST under statutory notifications. This exemption applies to recognized pre-school, higher secondary, undergraduate, and post-graduate education provided by schools, colleges, and universities, ensuring that formal public and private education remains affordable and free from indirect taxation.

59. (B) Composition Scheme
The Composition Scheme under Section 10 of the CGST Act is an optional tax framework designed to reduce administrative compliance burdens for small taxpayers with annual turnover below specified statutory limits. Participating businesses pay GST at a fixed, lower percentage of turnover and complete simplified quarterly filings, but cannot collect tax from buyers or claim Input Tax Credit.

60. (B) Motor vehicles purchased for personal transportation of corporate employees
Section 17(5) of the Central Goods and Services Tax Act outlines blocked credits where Input Tax Credit cannot be claimed. Specifically, motor vehicles used for passenger transportation with seating capacity up to thirteen persons are generally blocked from credit claims unless utilized for commercial business supply, transport training, or passenger transport services.

61. (B) I, III and IV
GST implementation transformed the national economy by removing inter-state trade barriers to create a unified common market. It streamlined administrative procedures by consolidating multiple complex indirect tax laws and enabled digital supply chain tracking through IT portals, curbing black money. However, it did not entirely eliminate the informal sector, making statement II incorrect.

62. (C) Octroi
Octroi was an indirect tax collected by local municipal authorities on goods entering a local municipality for consumption, use, or sale. Under the Constitutional 101st Amendment Act, octroi and entry taxes were completely subsumed under the Goods and Services Tax framework to enable seamless inter-state movement of goods without local border stops.

63. (D) Imposition of heavy penalties, interest charges, and potential criminal prosecution.
Tax evasion is a willful violation of statutory tax legislation involving deliberate non-declaration or illegal suppression of taxable income or sales. Tax authorities combat evasion through strict legal remedies, including recovery of unpaid taxes alongside mandatory monetary penalties, accrued interest charges, business asset seizures, and potential criminal prosecution leading to imprisonment under applicable tax statutes.

64. (A) III, II, IV, I
The standard GST business workflow begins when a supplier and buyer enter into a transaction and generate a tax invoice. Next, the supplier files GSTR-1 detailing outward sales. Subsequently,

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the supplier submits GSTR-3B to pay the net tax liability. Finally, the buyer auto-populates input data to claim Input Tax Credit.

65. (B) Review the tax structure, correct inverted duty issues, and suggest slab mergers.
Group of Ministers committees formed by the GST Council focus on rate rationalization to enhance overall tax efficiency. Their mandate includes evaluating existing tax slab allocations, rectifying inverted duty structures where raw materials are taxed higher than finished products, and proposing slab mergers to simplify tax compliance and stabilize fiscal collections.

66. (D) Tax revenue accrues to the state where the goods or services are consumed.
The destination principle in indirect taxation dictates that tax revenue belongs to the sovereign jurisdiction or state where final consumption of goods or services actually occurs. Unlike origin-based systems that reward manufacturing locations, destination taxation ensures that the receiving state capturing final consumption expenditures secures the corresponding indirect tax proceeds.

67. (A) BCD continues on imports, with IGST levied in addition to BCD.
Following GST implementation, Basic Customs Duty (BCD) was retained under the Customs Act of 1962 to regulate international trade and protect domestic producers. However, countervailing duties were replaced by Integrated GST (IGST), which is calculated and levied on the aggregate assessable value of imported goods inclusive of Basic Customs Duty.

68. (C) A Tax Residency Certificate from their home country
Under Section 90(4) of the Income Tax Act, a non-resident individual or corporate entity seeking relief under Double Taxation Avoidance Agreements must produce a valid Tax Residency Certificate. Issued by the tax authorities of their home jurisdiction, this document legally verifies tax residency, enabling taxpayers to claim concessional treaty rates.

69. (A) States demanded extending GST compensation due to pandemic-related revenue shortfalls.
The guaranteed five-year GST compensation framework established under the 2017 legislation expired in June 2022. Following its conclusion, several state governments experienced fiscal strain aggravated by economic disruptions during the COVID-19 pandemic. Consequently, multiple states petitioned the Central Government to extend compensation payouts beyond the initial statutory period to protect state revenue budgets.

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70. (D) Taxes paid at earlier supply chain stages offset final tax liabilities seamlessly across state borders.
Seamless flow of credit describes an uninterrupted mechanism under GST that allows taxpayers to claim credit for taxes paid on inputs at prior stages of the supply chain. By integrating state and central tax mechanisms, this system permits tax credit utilization across state borders, eliminating cascading taxes and maintaining an unbroken tax credit chain.

71. (B) Non-profit, non-government, Section 8 private limited company
The Goods and Services Tax Network was incorporated in March 2013 as a non-government, non-profit, Section 8 private limited company under the Companies Act. It was structured with joint equity participation between the Central Government, State Governments, and non-government financial institutions to build and operate the secure technological backbone essential for managing GST transactions.

72. (C) One-half of the total number of members
According to Article 279A(7) of the Constitution of India as amended by the 101st Constitutional Amendment Act, the statutory quorum required to conduct an official meeting of the GST Council is one-half of its total membership. Without this minimum attendance, formal proceedings, debates, and voting recommendations cannot legally take place.

73. (D) The Central Government
Under Article 269A of the Constitution of India, Integrated Goods and Services Tax (IGST) on inter-state supplies and imports is administered and collected exclusively by the Central Government. Following collection, the accrued IGST revenue is apportioned between the Union Government and destination State Governments based on statutory formulas recommended by the GST Council.

74. (A) It is a percentage levy on income tax payable, targeting high earners.
In the Indian personal tax system, a surcharge represents an additional percentage tax assessed on the calculated basic income tax liability rather than total income. Designed as a progressive fiscal instrument, surcharges apply at graduated rates to high-income individuals earning above specified statutory income thresholds to generate extra central fiscal revenues.

75. (C) 15%
Under Section 115BAB introduced by the Taxation Laws (Amendment) Act of 2019, new domestic manufacturing companies incorporated after October 1, 2019, were offered a reduced base corporate tax rate of 15 percent. Effective tax rates reach approximately 17.16 percent inclusive of surcharge and cess, aiming to stimulate industrial capital investment and manufacturing growth.

76. (B) Central and State governments simultaneously levy tax on a common base.
India adopted a Dual GST model to align with its constitutional federal framework. Under this structure, the Union Government and State Governments concurrently levy tax on intra-state supplies of goods and services using a shared taxable base. The Centre imposes Central GST while State Governments impose State GST at equal statutory rates.

77. (A) Exempt supplies do not allow ITC recovery, while zero-rated supplies allow ITC claims/ refunds.
Exempt supplies refer to goods or services taxed at a zero percentage rate or specifically exempted, where input tax credits on related inputs cannot be claimed or recovered. In contrast, zero-rated supplies, such as export transactions and supplies to Special Economic Zones, allow businesses to claim refunds or offsets for input tax credit paid.

78. (C) Tax buoyancy greater than 1
Tax buoyancy measures the proportional growth of national tax revenues relative to gross domestic product expansion. It is calculated by dividing percentage growth in tax collection by percentage growth in nominal GDP. In this scenario, dividing twelve percent tax growth by eight percent GDP growth yields a buoyancy factor of 1.5, demonstrating high tax elasticity.

79. (D) Arranging affairs to legitimately utilize tax incentives and deductions provided by law.
Tax mitigation refers to arranging financial transactions and business structures in full compliance with tax legislation to take advantage of statutory tax incentives, deductions, exemptions, and allowances explicitly provided by law. Because taxpayers operate within legislative intentions to reduce tax obligations without misrepresenting financial facts, mitigation remains fully legal and permissible.

80. (C) Reduce logistics costs, cut transit delays, and improve ease of doing business.
Eliminating inter-state border check posts under the unified GST framework transformed domestic logistics. By removing multi-layered local border inspections and harmonizing indirect tax rates nationwide, commercial vehicles experienced reduced transit times, lower fuel consumption, and optimized supply chain operations. These improvements significantly reduced logistics costs and enhanced the ease of doing business.

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CHAPTER 04
National Income, Growth Development

1. The Gross Domestic Product (GDP) of a country is most accurately defined as the total market value of:
(A) All intermediate and final goods and services produced within the national boundary in a financial year
(B) All goods and services produced by the citizens of the country, regardless of their geographical location
(C) All final goods and services produced within the national boundary minus the depreciation of capital assets
(D) All final goods and services produced within the national boundary during a specific period

2. When converting Gross Domestic Product (GDP) to Gross National Product (GNP), which of the following components must be added to the GDP?
(A) Net indirect taxes
(B) Capital consumption allowance
(C) Net factor income from abroad
(D) Total export earnings

3. Match List I with List II and select the correct answer using the code given below:
List I: (Concept)
P. GDP
Q. GNP
R. NDP
S. NNP
List II: (Definition)
1. Total final output produced by citizens globally
2. Gross output within national borders minus depreciation
3. Total final output within national borders
4. Output of citizens globally minus depreciation
(A) P-3, Q-1, R-2, S-4
(B) P-3, Q-1, R-4, S-2
(C) P-1, Q-3, R-2, S-4
(D) P-1, Q-3, R-4, S-2

4. While calculating national income using the Income Method, which of the following is NOT included as a factor income?
(A) Wages and salaries paid to employees
(B) Rent and royalties derived from property
(C) Corporate profits and distributed dividends
(D) Government transfer payments

5. Given below are two statements, one is labelled as Assertion (A) and the other is labelled as Reason (R):
Assertion (A): Real GDP is considered a more reliable indicator of economic growth over time than Nominal GDP.
Reason (R): Real GDP is calculated at constant prices, thereby removing the distorting effect of inflation on the value of goods and services produced.
In the context of the statements above, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

6. Net National Product (NNP) represents the exact national income of an economy. It is mathematically derived by:
(A) Deducting net factor income from abroad from GNP
(B) Adding depreciation to NDP
(C) Deducting depreciation from GNP
(D) Deducting indirect taxes from GDP

7. Consider the following statements regarding the Expenditure Method of calculating national income:
I. It includes private final consumption expenditure.
II. It includes government final consumption expenditure.
III. It excludes gross domestic capital formation

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(investment).
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

8. The GDP deflator is the broadest measure of inflation in an economy. Which of the following formulas correctly calculates the GDP deflator?
(A) (Real GDP / Nominal GDP) x 100
(B) (Nominal GDP - Real GDP) x 100
(C) (GNP / Real GDP) x 100
(D) (Nominal GDP / Real GDP) x 100

9. Economic growth is often distinguished from economic development. Which of the following statements best describes this distinction?
(A) Growth relates strictly to qualitative improvements in the overall standard of living, whereas development is merely a short-term quantitative increase in total national output.
(B) Growth is a quantitative increase in physical output, whereas development includes growth along with qualitative improvements in living standards.
(C) Both terms refer to the exact same macroeconomic phenomenon observed across all developing and developed economies globally.
(D) Growth measures equitable income distribution across socio-economic groups, whereas development measures industrial output alone.

10. Arrange the following broad sectors in the correct descending order based on their typical current percentage contribution to India's Gross Domestic Product (GDP):
1. Agriculture and allied sectors
2. Services sector
3. Industry sector

Select the correct order from the options given below:
(A) 2, 3, 1
(B) 1, 3, 2
(C) 2, 1, 3
(D) 3, 2, 1

11. Which international organization is responsible for compiling and publishing the annual Human Development Index (HDI)?
(A) World Bank
(B) International Monetary Fund (IMF)
(C) World Economic Forum (WEF)
(D) United Nations Development Programme (UNDP)

12. Consider the following statements regarding the concept of Sustainable Development:
I. It was popularized by the Brundtland Commission Report in 1987.
II. It emphasizes meeting the needs of the present without compromising the ability of future generations to meet their own needs.
III. It strongly focuses on intergenerational equity.
IV. It advocates for the complete halt of all industrial manufacturing.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) II, III and IV only
(D) I, III and IV only

13. In 2019, the Government of India created the National Statistical Office (NSO) by merging two existing statistical bodies. Which two bodies were merged?
(A) Indian Statistical Institute (ISI) together with the Central Statistics Office (CSO)
(B) Central Statistics Office (CSO) and National Sample Survey Office (NSSO)
(C) National Sample Survey Office (NSSO) together with the Labour Bureau
(D) Planning Commission of India and the Central Statistics Office (CSO)

14. Given below are two statements, one is labelled as Assertion (A) and the other is labelled as Reason (R):
Assertion (A): The agriculture sector in India is characterized by a high incidence of disguised unemployment.
Reason (R): The agriculture sector accounts for the largest share of India's GDP compared to the services and industry sectors.
In the context of the statements above, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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15. Select the correct mathematical sequence to derive Net National Product at Factor Cost (National Income) starting from Gross Domestic Product at Market Prices:
(A) Add Net Factor Income from Abroad → Subtract Net Indirect Taxes → Subtract Depreciation
(B) Subtract Depreciation → Subtract Net Indirect Taxes → Subtract Net Factor Income from Abroad
(C) Add Depreciation → Add Net Factor Income from Abroad → Add Net Indirect Taxes
(D) Subtract Depreciation → Add Net Indirect Taxes → Add Net Factor Income from Abroad

16. The Gini coefficient is a widely used statistical measure in economics. What does it primarily measure?
(A) The rate of absolute poverty and living standards across an economy
(B) The comparative ratio of the formal sector to the informal sector in GDP
(C) The magnitude of income or wealth inequality within a nation
(D) The general rate of inflation across essential consumer goods and services

17. The current base year used by the Government of India for calculating Real GDP and related macroeconomic aggregates is:
(A) 2004-05
(B) 2011-12
(C) 2015-16
(D) 2019-20

18. Match List I with List II and select the correct answer using the code given below:
List I: (Methods of National Income Estimation)
P. Value Added Method
Q. Income Method
R. Expenditure Method
S. Gross Value Added (GVA)
List II: (Core Component/Approach)
1. Summing wages, rent, interest, and profit
2. Summing consumption, investment, government spending, and net exports
3. GDP plus subsidies minus taxes on products
4. Summing the contribution of each producing enterprise across sectors
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-1, Q-2, R-4, S-3

19. Identify the correct statement regarding "Inclusive Growth":
(A) It refers to achieving rapid double-digit GDP growth regardless of its impact on national income distribution.
(B) It involves economic growth that creates employment opportunities and reduces poverty and income inequality.
(C) It focuses exclusively on accelerating the rapid industrialization and infrastructural development of urban centers.
(D) It implies that the national government must strictly nationalize all key private industries to redistribute wealth.

20. Which of the following is NOT generally considered a challenge in the accurate measurement of India's national income?
(A) Presence of a large non-monetized sector, especially in rural areas
(B) Inadequate statistical data and lags in data reporting
(C) Difficulty in distinguishing between intermediate and final goods in complex supply chains
(D) Widespread accurate accounting practices among informal sector enterprises

21. Consider the following statements regarding Gross Value Added (GVA):
I. GVA provides a sector-specific picture of economic activity from the producers' side.
II. GVA at basic prices equals GDP at market prices minus product taxes plus product subsidies.
III. GVA takes into account the net income from abroad to calculate domestic output.
Which of the above statement(s) is/are incorrect?
(A) I only
(B) II only
(C) III only
(D) I and II only

22. In national income accounting, the term "Consumption of Fixed Capital" is synonymous with:
(A) Gross capital formation
(B) Net investment
(C) Depreciation
(D) Capital gains

23. If the net factor income from abroad (NFIA) for an economy is negative, what is the relationship between its GDP and GNP?

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(A) GDP is greater than GNP
(B) GDP is strictly less than GNP
(C) GDP is exactly equal to GNP
(D) GNP becomes equal to zero

24. Consider the following statements regarding the informal sector in the Indian economy:
I. It contributes nearly half of the total Gross Domestic Product (GDP).
II. It employs a vast majority of the total workforce in India.
III. Transactions in this sector are entirely digitized and highly regulated.
IV. It poses significant measurement challenges for national income accounting.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

25. Given below are two statements, one is labelled as Assertion (A) and the other is labelled as Reason (R):
Assertion (A): The services sector has experienced a dominant and rising share in India's GDP over the last three decades.
Reason (R): The phenomenon of 'leapfrogging' allowed the Indian economy to bypass the traditional manufacturing-led growth phase directly into a services-led growth phase.
In the context of the statements above, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

26. Per capita income is often criticized as a limited indicator of economic welfare primarily because:
(A) It completely fails to account for the overall population size and demographic trends of the country.
(B) It cannot be easily converted into major international currencies for reliable global comparisons.
(C) It ignores the distribution of income among individuals and hides inequality.
(D) It exclusively calculates the total income of individuals employed within the formal economy.

27. Match List I with List II and select the correct answer using the code given below:
List I: (Concept / Index)
P. Human Development Index
Q. Sustainable Development
R. Base Year Revision of GDP
S. Gross Value Added (GVA) data release
List II: (Associated Entity / Creator)
1. Brundtland Commission
2. National Statistical Office (NSO)
3. United Nations Development Programme (UNDP)
4. Ministry of Statistics and Programme Implementation (MoSPI)
(A) P-3, Q-1, R-4, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-1, Q-3, R-2, S-4
(D) P-1, Q-3, R-4, S-2

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28. The concept of Sustainable Development was officially defined and brought to global prominence by the report titled "Our Common Future". In which year was this report published by the Brundtland Commission?
(A) 1972
(B) 1987
(C) 1992
(D) 2000

29. Which of the following items is treated as an exception and is NOT included in the calculation of national income?
(A) Monthly salary paid to a full-time government school teacher
(B) Transfer payments like scholarships and pensions
(C) Annual net profit earned by a commercial public sector enterprise
(D) Estimated imputed rent of an owner-occupied residential house

30. Arrange the following Indian states in the generally observed descending order of their Per Capita Net State Domestic Product (a proxy for per capita income):
1. Bihar
2. Goa
3. Rajasthan
Select the correct order from the options given below:
(A) 2, 3, 1
(B) 1, 3, 2

(C) 3, 2, 1
(D) 2, 1, 3

31. Consider the following dimensions used to construct the Human Development Index (HDI):
I. A long and healthy life (Life expectancy at birth)
II. Knowledge (Expected and mean years of schooling)
III. A decent standard of living (Gross National Income per capita)
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

32. In the context of economic growth measurement, what does evaluating GDP at "constant prices" achieve?
(A) It measures the maximum theoretical peak capacity of industrial and manufacturing production across sectors.
(B) It ensures that the valuation of imported consumer goods remains strictly constant across consecutive fiscal years.
(C) It adjusts total output value for inflation or deflation relative to a base year.
(D) It calculates national output exclusively based on prevailing international currency exchange rates and trade balances.

33. Identify the incorrect statement regarding the Production Method (Value Added Approach) of calculating GDP:
(A) It sums up the value added by all resident producing units within the domestic territory.
(B) Value added is calculated as the value of output minus the value of intermediate inputs.
(C) It avoids the problem of double counting by focusing only on the incremental value at each production stage.
(D) It intentionally includes the value of intermediate consumption to ensure large numbers.

34. Consider the following statements regarding the trajectory of India's GDP growth during and post the COVID-19 pandemic:
I. The Indian economy experienced a severe contraction in GDP during the initial pandemic lockdown phase in 2020-21.
II. The subsequent recovery of the economy was broadly characterized by economists as an L-shaped stagnation.
III. The services sector was completely immune to the pandemic contraction due to digital technology.
IV. Contact-intensive services sectors experienced the sharpest decline during the pandemic.
Which of the above statement(s) is/are incorrect?
(A) I and IV only
(B) II and III only
(C) I, II and IV only
(D) I and II only

35. Given below are two statements, one is labelled as Assertion (A) and the other is labelled as Reason (R):
Assertion (A): Non-monetized transactions, such as subsistence farming, lead to an underestimation of the true national income in developing countries like India.
Reason (R): Subsistence farming output is mostly consumed by the farmers themselves and does not enter the market, making it difficult to value accurately in national income accounts.
In the context of the statements above, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

36. What is the precise economic difference between GDP evaluated at Market Prices and GDP evaluated at Factor Cost?
(A) Net factor income earned from abroad by resident entities
(B) Capital consumption allowance representing fixed asset depreciation
(C) Corporate tax margins and retained earnings of enterprises
(D) Net indirect taxes

37. If an Indian engineer working in software development resides in Germany and sends back remittances to their family in India, how is this money accounted for in India's national accounts?
(A) It is included in India's GNP but not in its

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GDP.
(B) It is included in India's GDP but not in its GNP.
(C) It is included in both India's GDP and GNP.
(D) It is excluded from both India's GDP and GNP.

38. Select the correct historical sequence of the adoption of base years for the calculation of National Income in India over recent decades:
(A) 2004-05 → 1993-94 → 1999-2000 → 2011-12
(B) 1993-94 → 1999-2000 → 2004-05 → 2011-12
(C) 1999-2000 → 1993-94 → 2011-12 → 2004-05
(D) 1993-94 → 2004-05 → 1999-2000 → 2011-12

39. While both the GDP deflator and the Consumer Price Index (CPI) measure inflation, they differ fundamentally because:
(A) The GDP deflator covers all domestically produced goods and services, while the CPI covers a consumer basket.
(B) The GDP deflator measures prices of physical goods only, whereas the Consumer Price Index covers both goods and services consumed by urban households.
(C) The GDP deflator includes prices of all imported capital goods, whereas the Consumer Price Index strictly excludes any foreign-manufactured items.
(D) The Consumer Price Index is published annually by the NSO, whereas the GDP deflator is compiled and published daily by the Reserve Bank of India.

40. Match List I with List II and select the correct answer using the code given below:
List I: (Term/Concept)
P. Gini Coefficient of 0
Q. Gini Coefficient of 1
R. High State GDP growth
S. Lagging State economy
List II: (Implication/Value)
1. Perfect income inequality (one person has all income)
2. Low per capita income and poor infrastructure
3. Perfect income equality (everyone has the exact same income)
4. High contribution to national output and better living standards
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-1, Q-3, R-4, S-2

41. Consider the following statements regarding the distinction between Economic Growth and Economic Development:
I. Economic growth is a multi-dimensional process.
II. Economic development is entirely independent of economic growth.
III. A country can experience economic growth without significant economic development.
Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) II and III only
(C) III only
(D) I and III only

42. Which of the following policy outcomes would NOT typically be associated with the goal of inclusive growth in an economy?
(A) Expanding financial inclusion, microfinance, and targeted credit access to rural artisans and small farmers
(B) Improving the overall female labor force participation rate across formal and informal economic sectors
(C) Concentrating industrial subsidies strictly within the capital city
(D) Enhancing comprehensive skill development programs for historically marginalized social communities

43. Consider the following statements regarding the structural changes in the Indian economy since independence:
I. The share of agriculture in total employment has declined to below 10%.
II. The share of agriculture in total GDP has continuously increased.
III. The manufacturing sector has stagnated roughly around 15-17% of GDP for a long time.
IV. The services sector generates the majority of the nation's GDP.
Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) III and IV only
(C) I, II and III only
(D) II and IV only

44. In the calculation of Gross Domestic Product (GDP), which of the following best represents an "intermediate good"?
(A) Wheat flour purchased by a bakery to make bread for sale
(B) A tractor purchased by a farmer for

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ploughing fields
(C) A loaf of bread purchased by a household for consumption
(D) A computer purchased by a student for educational purposes

45. To accurately calculate the Net Domestic Product (NDP) from the Gross Domestic Product (GDP), an economist must subtract:
(A) The value of imported goods
(B) The consumption of fixed capital
(C) The sum of corporate taxes
(D) The subsidies provided by the government

46. The problem of "double counting" in national income estimation is most effectively avoided by:
(A) Including all transfer payments in the final calculation
(B) Using the Value Added Method
(C) Calculating only the raw materials used in the economy
(D) Including the sale of second-hand goods

47. In a hypothetical "closed economy", which of the following macroeconomic relationships holds true?
(A) Net factor income from abroad is zero, making GDP equal to GNP
(B) Gross Domestic Product becomes significantly greater than Gross National Product due to foreign aid
(C) Gross Domestic Product becomes significantly lesser than Gross National Product due to net remittances
(D) The total value of national exports continuously exceeds the total value of national imports

48. Under the Expenditure Method of calculating GDP, "Gross Domestic Capital Formation" is fundamentally a measure of:
(A) Total household savings in banks
(B) The total value of shares traded on the stock exchange
(C) Total investment spending in the economy
(D) Government spending on social welfare programs

49. Identify the most appropriate definition of "Operating Surplus" used in the Income Method of national income accounting:
(A) The sum total of wages, salaries, and employee allowances paid across all sectors
(B) The remaining fiscal budget surplus of the government after meeting all social expenditures
(C) The net foreign trade surplus generated exclusively from international commodity exports
(D) Income earned from property and entrepreneurship

50. What is the fundamental difference between "Net National Product at Market Prices" and "Net National Product at Factor Cost"?
(A) Depreciation costs
(B) Government subsidies
(C) Net Indirect Taxes
(D) Gross export revenue

51. Which of the following is considered a component of "Net Exports" in the expenditure method of calculating GDP?
(A) Total value of exports plus total value of imports
(B) Total value of exports minus total value of imports
(C) Only the value of manufactured goods exported
(D) The foreign exchange reserves held by the central bank

52. If an economy's Nominal GDP grew by 8% in a year, but the Real GDP declined by 2% in the same year, what is the most definitive conclusion that can be drawn?
(A) The physical volume of domestic production and industrial output increased significantly.
(B) The national economy experienced severe deflation across primary consumption sectors.
(C) Net factor income earned from abroad must have registered a sharply negative value.
(D) The country experienced inflation that outweighed falling production.

53. The HDI value calculated for a country normalizes the indicators on a scale spanning from:
(A) 0 to 1
(B) 1 to 10
(C) 0 to 100
(D) -1 to +1

54. The Brundtland Commission, which formally introduced the concept of sustainable development, was established by which international body?
(A) World Trade Organization

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(B) World Economic Forum
(C) United Nations
(D) International Monetary Fund

55. The revision of the base year for GDP calculation (such as changing it to 2011-12) is primarily done to:
(A) Capture structural changes and update the price basket to reflect current consumption.
(B) Artificially inflate the overall GDP growth rate to attract prospective foreign institutional investors.
(C) Completely eliminate the statistical counting of the agricultural sector in total national income.
(D) Align the official Indian financial fiscal year with the standard international calendar year model.

56. What was the central point of academic controversy regarding the 2011-12 base year revision in India's GDP calculation?
(A) The total structural exclusion of the agricultural sector's contribution from primary national accounting.
(B) The complete removal of the tertiary services sector from all baseline national GDP growth calculations.
(C) The exclusive use of the consumer price index instead of the wholesale price index for calculating deflators.
(D) The reliance on the MCA-21 database, which allegedly contained shell companies.

57. The National Statistical Office (NSO), responsible for compiling and releasing national income data in India, functions under the administrative control of:
(A) Ministry of Finance
(B) Ministry of Statistics and Programme Implementation (MoSPI)
(C) Ministry of Commerce and Industry
(D) Reserve Bank of India

58. Despite employing roughly 40-45% of India's workforce, the agriculture sector's contribution to the Gross Value Added (GVA) is currently around:
(A) 15-20%
(B) 35-40%
(C) 50-55%
(D) 5-10%

59. The phenomenon where an excess number of workers are employed in an economic activity (like agriculture) than is strictly necessary for optimal production is known as:
(A) Structural unemployment
(B) Frictional unemployment
(C) Cyclical unemployment
(D) Disguised unemployment

60. Economists often describe the Indian growth story as "leapfrogging" because:
(A) It shifted directly from agriculture to services, bypassing a strong manufacturing phase.
(B) It consistently achieved double-digit annual real GDP growth rates every year continuously since independence.
(C) It successfully eliminated extreme structural poverty entirely across all rural and urban regions within a single decade.
(D) Its core manufacturing sector rapidly overtook the agriculture sector instantly following the economic reforms of the 1990s.

61. Which of the following sectors is characterized by low productivity, lack of social security benefits, and significant non-monetized transactions, making its income difficult to measure?
(A) Public sector banks
(B) Informal / Unorganized sector
(C) Large-scale corporate manufacturing
(D) Foreign multinational corporations

62. Which of the following is the most appropriate indicator of the average standard of living of the residents of a country?
(A) Nominal Gross Domestic Product
(B) Per Capita Real National Income
(C) Real Gross Domestic Product
(D) Total foreign exchange reserves

63. "Mixed income of the self-employed" is a unique category used in the Income Method of calculating national income. It typically refers to the income of:
(A) Unincorporated enterprises and self-employed individuals like farmers and shopkeepers
(B) Highly paid corporate executives and senior managers receiving performance bonuses and executive stock options
(C) Foreign citizens and international consultants residing and working temporarily within domestic territory

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(D) Permanent government employees receiving regular monthly salaries alongside accrued retirement pension benefits

64. State-wise per capita income data in India consistently highlights regional disparities. Which of the following groups of states historically ranks among the highest in per capita income?
(A) Bihar and Uttar Pradesh
(B) Jharkhand and Chhattisgarh
(C) Goa and Sikkim
(D) Assam and Odisha

65. If the Gini coefficient of a nation falls from 0.45 to 0.32 over a decade, it is safe to interpret that:
(A) The economy has entered a severe recession.
(B) The population of the country has declined sharply.
(C) Income inequality within the nation has worsened.
(D) Income inequality within the nation has decreased.

66. Which term is used to describe an economic recovery where different sectors, industries, or demographic groups recover from an economic shock at vastly different rates?
(A) V-shaped recovery
(B) U-shaped recovery
(C) K-shaped recovery
(D) L-shaped stagnation

67. Under the System of National Accounts (SNA) adopted by India, Gross Value Added (GVA) is primarily calculated at:
(A) Market prices
(B) Basic prices
(C) Factor cost
(D) Retail prices

68. The "Base Effect" is often cited when analyzing recent GDP growth trends, especially post-pandemic. What does it refer to?
(A) The permanent structural loss of baseline economic infrastructure following a severe financial crisis.
(B) The minimum baseline income required for an average household to survive above the poverty line.
(C) The standard basic indirect tax rate applied uniformly across all essential consumer goods and services.
(D) Growth rate distortion due to an unusual reference point in the previous year.

69. Which of the following statements best describes the limitation of the GDP deflator?
(A) It excludes imported consumer goods as it only covers domestic production.
(B) It strictly covers manufactured industrial goods while completely ignoring agricultural commodities and services.
(C) It heavily overweighs the retail prices of essential agricultural commodities compared to industrial goods.
(D) It is compiled and calculated only once a decade during the official national population census exercise.

70. How is unpaid domestic care work, primarily performed by women in India, treated in standard Gross Domestic Product (GDP) calculations?
(A) It is estimated systematically using national satellite accounts and added directly to the core GDP.
(B) It is valued at the statutory minimum wage rate and formally included in total national income calculations.
(C) It is excluded from GDP due to the absence of market transactions.
(D) It is categorized and treated directly as a key component of government final consumption expenditure.

71. The Lorenz curve is a graphical representation closely associated with which macroeconomic concept?
(A) Income or wealth inequality
(B) Tax revenue elasticity
(C) Inflation and unemployment trade-off
(D) Sectoral distribution of employment

72. Which of the following is the most direct consequence of a significant lag in reporting national statistical data?
(A) Triggering immediate and widespread hyperinflation across all key economic sectors.
(B) An automatic and significant increase in the nation's international sovereign credit rating.
(C) A direct and permanent reduction in the structural size of the informal unorganized sector.
(D) Hindrance to timely macroeconomic policy-making by authorities.

73. When analyzing structural changes in a developing economy, a declining share of

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agriculture in GDP accompanied by a stubbornly high share of agricultural employment signifies:
(A) The achievement of highly efficient, technological, and fully mechanized sustainable farming practices.
(B) A failure to create enough non-agricultural productive jobs.
(C) A rapid economic transition towards a highly competitive export-led commercial agricultural economy.
(D) The successful achievement of comprehensive and fully inclusive balanced regional economic growth.

74. Which of the following best represents the concept of "Intergenerational Equity" in the context of sustainable development?
(A) Equalizing total current income across all living age demographics through progressive wealth taxation.
(B) Ensuring that all living and future generations receive the exact same universal basic income guarantee.
(C) Using resources so future generations inherit a robust resource base.
(D) Passing on all accumulated public debt and fiscal deficits solely to the immediate next generation.

75. A critical component of India's inclusive growth strategy is addressing multidimensional poverty. Which of the following is NOT one of the broad dimensions of the Multidimensional Poverty Index (MPI)?
(A) Overall health and nutrition outcomes
(B) Educational attainment and schooling
(C) Household standard of living indicators
(D) Stock market participation

76. In terms of national income aggregates, "Factor Cost" essentially represents:
(A) Production cost paid to acquire factors of production.
(B) The total final market price paid by the end consumer at a commercial retail outlet.
(C) The net residual profit retained by corporate producers after clearing all direct taxes.
(D) The prevailing benchmark international export price of a traded industrial commodity.

77. The Make in India initiative was fundamentally launched to address which persistent macroeconomic challenge regarding India's GDP structure?
(A) The continuous structural decline of the services sector's contribution to national output.
(B) The stagnant share of manufacturing at around 16-17% of GDP.
(C) The rapid over-industrialization and environmental degradation of rural agricultural zones.
(D) The excessive focus on exporting primary unprocessed agricultural and manufactured goods.

78. Which macroeconomic indicator is calculated by dividing a country's Gross Domestic Product by its mid-year total population?
(A) Net National Product
(B) Per Capita GDP
(C) Gross Value Added
(D) National Disposable Income

79. Find the odd one out among the following items with respect to inclusion in national income calculation:
(A) Pocket money given by a father to his son
(B) Salary of a soldier in the Indian Army
(C) Profit of Reliance Industries Limited
(D) Rent received from leasing agricultural land

80. The primary reason why Gross Domestic Product (GDP) is favored over Gross National Product (GNP) as an indicator of domestic economic activity is that:
(A) GDP systematically accounts for total environmental degradation and natural resource depletion caused by industrial production.
(B) GNP completely ignores the primary agricultural sector's total output in its national accounting framework.
(C) GDP measures output within geographic borders, reflecting domestic activity.
(D) GDP is significantly easier to compute accurately without relying on any statistical sampling or survey methods.

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ANSWERS

1. (D) All final goods and services produced within the national boundary during a specific period
Gross Domestic Product measures the overall monetary value of all final goods and services generated within the geographic territory of a nation during a given timeframe. It intentionally excludes intermediate products to prevent double counting. The definition emphasizes domestic geographic boundaries rather than the citizenship of producers, focusing strictly on production occurring within the borders.

2. (C) Net factor income from abroad
Gross National Product measures the total monetary value of final goods and services produced by the residents of a nation regardless of location. Converting domestic output to national output requires adding net factor income from abroad, which accounts for earnings of domestic residents overseas minus payments made to foreign residents operating domestically within the national boundaries.

3. (A) P-3, Q-1, R-2, S-4
Domestic product reflects total final output within national borders, while national product measures output by residents globally. Net measures subtract depreciation from gross figures. Consequently, domestic output within borders corresponds to gross domestic product, resident global output is gross national product, domestic output minus capital decay is net domestic product, and resident output minus depreciation defines net national product.

4. (D) Government transfer payments
Factor income includes payments received in exchange for productive services provided in the production process, such as labor compensation, rent, interest, and corporate profits. Government transfer payments, such as pensions, unemployment benefits, and scholarships, are unilateral financial flows granted without any corresponding exchange of goods or productive services, leading to their complete exclusion from national income.

5. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Real Gross Domestic Product is evaluated using fixed baseline prices from a chosen reference year, eliminating price level fluctuations caused by inflation or deflation. By isolating changes in physical production volume from monetary shifts, real metrics provide an accurate representation of genuine economic growth over time, making price adjustment the foundational reasoning for preferring constant price evaluations over nominal values.

6. (C) Deducting depreciation from GNP
Net National Product measures the net output generated by resident factors of production after accounting for wear and tear on capital assets. Capital consumption allowance, commonly termed depreciation, reflects the physical decline in capital goods during production. Subtracting this replacement cost from Gross National Product yields the precise net monetary value of national output available for economic consumption.

7. (A) I and II only
The expenditure approach calculates aggregate demand by summing final consumer spending, public sector expenditure, gross capital investment, and foreign net trade. Private final consumption expenditure and government final consumption expenditure represent key components of final demand. Gross domestic capital formation must be included as investment spending, making any claim regarding its exclusion factually incorrect within national accounts.

8. (D) (Nominal GDP / Real GDP) x 100
The GDP deflator serves as a comprehensive inflation indicator reflecting price changes across all goods and services domestically produced. Mathematically, it is calculated by taking the ratio of Nominal GDP, evaluated at current market prices, to Real GDP, evaluated at baseline constant prices, and multiplying the quotient by one hundred to express the index.

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9. (B) Growth is a quantitative increase in physical output, whereas development includes growth along with qualitative improvements in living standards.
Economic growth strictly denotes a quantitative expansion in national production capacity and real income metrics over specified timeframes. Economic development is broader and multidimensional, encompassing quantitative growth alongside qualitative enhancements such as improved literacy rates, reduced poverty levels, longer life expectancy, institutional advancements, and overall improvements in quality of life across society.

10. (A) 2, 3, 1
In the structural distribution of India's Gross Domestic Product, the tertiary or services sector constitutes the single largest share, contributing over half of the total output. The secondary or industrial sector holds the second largest position, while the primary agricultural and allied sectors account for the smallest proportional share among the three sectors.

11. (D) United Nations Development Programme (UNDP)
The Human Development Index was formulated by Pakistani economist Mahbub ul Haq and Indian economist Amartya Sen in 1990. Since its inception, the United Nations Development Programme regularly publishes this composite metric in its flagship annual Human Development Report to evaluate national development progress across health, education, and income standard dimensions worldwide.

12. (B) I, II and III only
Sustainable development aims to harmonize economic expansion, environmental preservation, and social equity. Popularized by the World Commission on Environment and Development in its landmark 1987 report, it emphasizes intergenerational fairness by meeting present requirements without diminishing future resource capabilities. It advocates sustainable practices rather than stopping industrial production, making absolute manufacturing halts incorrect.

13. (B) Central Statistics Office (CSO) and National Sample Survey Office (NSSO)
In May 2019, the Government of India restructured its statistical architecture by merging the Central Statistics Office and the National Sample Survey Office. This restructuring established the National Statistical Office under the Ministry of Statistics and Programme Implementation to streamline data collection, eliminate institutional overlap, and enhance macroeconomic data generation accuracy.

14. (C) Assertion (A) is true but Reason (R) is false.
Indian agriculture exhibits widespread disguised unemployment, where surplus workers are engaged whose marginal productivity is effectively zero. However, agriculture does not generate the largest share of national GDP, as the services sector contributes over half of the national output. Thus, the assertion accurately describes labor conditions, while the reason contains an incorrect structural claim.

15. (A) Add Net Factor Income from Abroad → Subtract Net Indirect Taxes → Subtract Depreciation
Deriving Net National Product at Factor Cost from Gross Domestic Product at Market Prices requires three sequential operational conversions. First, adding net factor income from abroad converts domestic product to national product. Second, deducting net indirect taxes converts market price valuation to factor cost. Finally, subtracting depreciation converts the gross output figure into a net metric.

16. (C) The magnitude of income or wealth inequality within a nation
The Gini coefficient is a statistical dispersion metric designed to gauge income or wealth distribution across a population. Ranging from zero to one, a value of zero denotes perfect equality where income is distributed identically, whereas a value of one indicates maximum inequality, where a single entity possesses all generated national income.

17. (B) 2011-12
The Central Statistics Office revised the national accounting base year from 2004-05 to 2011-12 in January 2015. This revision incorporated updated sector survey data, aligned methodology with the United Nations System of National Accounts 2008, and introduced corporate database MCA-21 to better capture evolving economic structures across domestic primary, secondary, and tertiary sectors.

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18. (A) P-4, Q-1, R-2, S-3
The value added method sums production contributions across sectoral enterprises. The income method aggregates factor returns including wages, rent, interest, and profits. The expenditure method totals private consumption, investment spending, public expenditure, and net exports. Gross Value Added at basic prices plus product net taxes directly derives total domestic product at market prices.

19. (B) It involves economic growth that creates employment opportunities and reduces poverty and income inequality.
Inclusive growth represents an economic growth model that ensures widespread benefit distribution across all societal segments. Rather than focusing solely on output expansion, it emphasizes productive employment generation, equal opportunities, poverty alleviation, regional parity, and human capability enhancement, ensuring vulnerable socio-economic groups actively participate in and profit from overall national economic progress.

20. (D) Widespread accurate accounting practices among informal sector enterprises
Estimating national income in developing economies faces multiple statistical hurdles, including non-monetized barter transactions, data collection lags, and intermediate-final good classification difficulties. In contrast, widespread accurate accounting in the unorganized sector does not exist; its severe absence creates major measurement obstacles, making its presence an inaccurate description of economic reality.

21. (C) III only
Gross Value Added measures sector-specific output from the producer perspective before accounting for net product taxes. While GVA at basic prices plus net product taxes equals GDP at market prices, GVA focuses exclusively on domestic productive activity within national territory. Net factor income from abroad plays no role in calculating GVA, rendering claims of its inclusion incorrect.

22. (C) Depreciation
In national accounting terminology, consumption of fixed capital refers to the systemic wear and tear, wear-induced deterioration, and predictable obsolescence experienced by physical capital assets during ongoing production processes. This accounting concept is identical to depreciation, serving as the required deduction to adjust gross macroeconomic measures into net domestic or national figures.

23. (A) GDP is greater than GNP
Gross National Product is derived mathematically by adding net factor income from abroad to Gross Domestic Product. Net factor income equals foreign earnings of domestic residents minus domestic earnings of foreign residents. When this value is negative, income outflows exceed inflows, resulting in domestic product being larger in magnitude than national product.

24. (A) I, II and IV only
The informal unorganized sector employs a substantial majority of India's labor force and contributes significantly to total national output. Due to cash transactions, lack of statutory record-keeping, and regulatory decentralization, it creates substantial measurement difficulties for national accounts. However, its transactions are not fully digitized or highly regulated, making statement three false.

25. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
India experienced a unique structural transition by directly expanding its service sector without developing a dominant manufacturing base first. Rapid growth in information technology, telecommunications, and financial services enabled the tertiary sector to achieve structural dominance in GDP contribution, making the leapfrogging trajectory the precise underlying explanation for the expanding share of services.

26. (C) It ignores the distribution of income among individuals and hides inequality.
Per capita income is calculated by dividing total national income by total population size. While offering a simplified economic mathematical average, it conceals individual income distribution patterns. High income concentration among a small elite can mask widespread economic hardship, preventing per capita averages from reflecting the actual living standards or economic welfare of average citizens.

27. (A) P-3, Q-1, R-4, S-2
The Human Development Index was created by the United Nations Development Programme.

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Sustainable development gained definition through the Brundtland Commission report. Macroeconomic base year revisions fall under the Ministry of Statistics and Programme Implementation. Primary execution and official release of Gross Value Added estimations are conducted by the National Statistical Office.

28. (B) 1987
The World Commission on Environment and Development, chaired by Gro Harlem Brundtland, released its seminal report titled "Our Common Future" in 1987. This publication formally established the universally accepted definition of sustainable development, emphasizing environmental stewardship alongside development strategies to safeguard natural capital resources for future generations across all nations worldwide.

29. (B) Transfer payments like scholarships and pensions
National income reflects income earned strictly in return for productive factor services provided during current production processes. Transfer payments, including pensions, old-age assistance, and student scholarships, are unearned financial disbursements granted without any concurrent production of goods or services. Consequently, national accounting frameworks exclude all transfer payments to prevent output overestimation.

30. (A) 2, 3, 1
Per Capita Net State Domestic Product varies significantly across Indian states due to industrial development, tourism, and services infrastructure. Goa consistently ranks near the top nationally in per capita income. Rajasthan occupies a middle-tier position driven by agriculture and industry, whereas Bihar records among the lowest per capita income levels due to economic lags.

31. (D) I, II and III
The Human Development Index measures human progress across three equal dimensions. Health is evaluated using life expectancy at birth. Education is assessed using mean years of schooling for adults and expected years of schooling for children. Living standards are measured through Gross National Income per capita adjusted for purchasing power parity.

32. (C) It adjusts total output value for inflation or deflation relative to a base year.
Evaluating GDP at constant prices involves valuing current economic output using prices from a chosen baseline year. This pricing methodology holds price levels fixed, effectively filtering out general price inflation or deflation over time. Consequently, constant price GDP reflects pure physical output growth rather than price distortion in macroeconomic accounting.

33. (D) It intentionally includes the value of intermediate consumption to ensure large numbers.
The value added method calculates total economic output by taking gross output value and deducting intermediate consumption at each stage of production. By measuring only net value additions, it eliminates double counting of intermediate goods. Intentionally adding intermediate consumption would severely inflate national income, making its deliberate inclusion factually false.

34. (B) II and III only
During 2020-21, India experienced a sharp pandemic GDP contraction followed by a rapid rebound, forming a V-shaped recovery pattern rather than an L-shaped stagnation. Contact-intensive services faced severe declines rather than immunity. Because statements two and three present incorrect characterizations of the pandemic trajectory, they represent the required incorrect options.

35. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
In agrarian developing economies like India, substantial agricultural output is consumed directly by farming households without entering commercial distribution channels. Because these non-monetized transactions bypass market mechanisms, estimating their imputed monetary value is difficult, leading to systemic underestimation of national output and providing the exact explanation for the assertion statement.

36. (D) Net indirect taxes
Gross Domestic Product at Market Prices reflects final valuation including indirect taxes levied by government authorities minus production subsidies provided to producers. Gross

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Domestic Product at Factor Cost measures raw production expenses paid to productive factors. Consequently, net indirect taxes, defined as total indirect taxes minus total subsidies, form the precise difference between both valuations.

37. (A) It is included in India's GNP but not in its GDP.
Gross Domestic Product measures output generated strictly within national geographical borders, excluding earnings of domestic citizens operating abroad. Gross National Product measures total output produced by national citizens regardless of geographic location. Remittances from an Indian citizen residing in Germany represent factor income earned abroad, requiring inclusion in Gross National Product while being excluded from domestic product.

38. (B) 1993-94 → 1999-2000 → 2004-05 → 2011-12
India periodically updates the base year used for national accounting series to capture ongoing structural shifts and relative price changes across sectors. Chronologically, the Central Statistics Office revised the national baseline series sequentially moving from 1993-94 to 1999-2000, then advancing to 2004-05, and subsequently adopting the 2011-12 baseline series currently in operation.

39. (A) The GDP deflator covers all domestically produced goods and services, while the CPI covers a consumer basket.
The GDP deflator and Consumer Price Index evaluate price changes differently. The GDP deflator is a broad measure encompassing all goods and services produced domestically within an economy. In contrast, the Consumer Price Index tracks price movements for a fixed representative basket of consumer items, including imported goods consumed by representative domestic households.

40. (A) P-3, Q-1, R-4, S-2
A Gini coefficient of zero signifies absolute income equality across all individuals. A Gini coefficient of one indicates complete inequality where all income accrues to a single recipient. High State GDP growth reflects robust economic output and enhanced living conditions, whereas lagging state economies present lower per capita incomes and infrastructure deficits.

41. (A) I and II only
Economic growth is a single-dimensional quantitative metric measuring expansion in real output, whereas economic development is multidimensional, incorporating health, education, and social progress. Furthermore, development fundamentally relies on economic growth as a necessary prerequisite. Because statements one and two present incorrect definitions of these concepts, they represent the incorrect statements.

42. (C) Concentrating industrial subsidies strictly within the capital city
Inclusive growth focuses on spreading economic opportunities across diverse demographics and geographic regions to minimize economic inequality. Strategies like expanding microfinance, enhancing female labor force participation, and offering skill development directly support inclusive development. Concentrating industrial subsidies exclusively in a primary capital city promotes severe regional imbalance, directly contradicting inclusive growth principles.

43. (A) I and II only
Agriculture still employs over forty percent of India's workforce, making claims of employment share dropping below ten percent incorrect. Similarly, agricultural output share in total GDP has systematically declined over decades, making claims of its continuous growth false. Consequently, statements one and two represent the incorrect choices within structural analysis.

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44. (A) Wheat flour purchased by a bakery to make bread for sale
Intermediate goods are commodities utilized as inputs in the production process of other goods and services, undergoing transformation or resale within the accounting period. Wheat flour acquired by a commercial bakery gets fully processed into finished bread for final commercial distribution, classifying it as an intermediate input rather than a final product.

45. (B) The consumption of fixed capital
Net Domestic Product measures the true net output produced within domestic geographical borders after deducting capital asset degradation resulting from production activity. Consumption of fixed capital, commonly designated as depreciation, reflects the monetary value of wear and tear. Subtracting this depreciation allowance

from Gross Domestic Product directly converts gross product to net domestic product.

46. (B) Using the Value Added Method
Double counting occurs when raw materials or intermediate goods are counted multiple times at successive stages of output evaluation. The Value Added Method prevents this error by calculating strictly the incremental monetary value generated at each production phase, subtracting intermediate input costs to isolate true net additions to aggregate domestic economic output.

47. (A) Net factor income from abroad is zero, making GDP equal to GNP
A closed economy operates without any external financial or commercial interactions, completely excluding foreign trade, cross-border investment, and international labor movement. Because no income flows occur between domestic residents and foreign entities, net factor income from abroad equals zero, making Gross Domestic Product identically equal to Gross National Product in macroeconomic identity.

48. (C) Total investment spending in the economy
In the expenditure approach to national income accounting, Gross Domestic Capital Formation measures total additions to the physical capital stock of a nation. It encompasses fixed capital formation in infrastructure, machinery, and commercial structures, alongside changes in business inventory stocks, serving as the standard metric for total investment spending within domestic borders.

49. (D) Income earned from property and entrepreneurship
Under the income method of national accounting, total domestic factor earnings are divided into compensation of employees, operating surplus, and mixed income. Operating surplus specifically represents total factor returns generated from property ownership and entrepreneurial activity, comprising rent, interest, royalties, and net corporate profits derived across ongoing enterprise business operations.

50. (C) Net Indirect Taxes
Net National Product at Market Prices reflects national output valued using final market prices paid by consumers, incorporating product taxes while subtracting subsidies. Conversely, Net National Product at Factor Cost measures compensation earned by productive factors. The mathematical distinction between these two valuations equals Net Indirect Taxes, calculated as indirect taxes minus subsidies.

51. (B) Total value of exports minus total value of imports
Net exports represent the net trade balance component of final demand under the expenditure method. It is calculated by taking the aggregate monetary value of domestically produced goods and services sold to foreign nations and subtracting the total monetary value of foreign-made goods and services purchased by domestic end consumers.

52. (D) The country experienced inflation that outweighed falling production.
Nominal GDP reflects production valued at prevailing market prices, whereas Real GDP adjusts output for price level changes using baseline prices. An increase in Nominal GDP occurring simultaneously with a contraction in Real GDP demonstrates that general price inflation was sufficiently high to mask a genuine physical decline in goods and services produced.

53. (A) 0 to 1
The Human Development Index standardizes health, education, and income statistics onto a uniform scale bounded between zero and one. Goalposts establishing minimum and maximum potential values are fixed for each indicator, converting raw metrics into sub-indices. These sub-indices are averaged geometrically to derive a final value between zero and one.

54. (C) United Nations
The World Commission on Environment and Development, popularly known as the Brundtland Commission, was formally established by the United Nations General Assembly in 1983. Its objective was to address growing global concerns regarding natural resource depletion and environmental degradation, leading to its landmark 1987 report defining sustainable development models worldwide.

55. (A) Capture structural changes and update the price basket to reflect current consumption.
Periodically updating the national accounts base year ensures that macroeconomic indicators accurately reflect structural changes within the

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economy. Over time, consumption patterns, technological advancements, and relative prices shift significantly. Revising the base year updates the weighting diagram and price basket, incorporating newly emerging economic activities and modern administrative data sources.

56. (D) The reliance on the MCA-21 database, which allegedly contained shell companies.
The 2011-12 GDP base year revision sparked significant economic debate regarding data sources used to estimate corporate sector value added. The methodology replaced older enterprise survey sampling with the Ministry of Corporate Affairs MCA-21 database. Critics argued that MCA-21 contained inactive or shell companies, raising questions regarding potential overestimation of corporate growth.

57. (B) Ministry of Statistics and Programme Implementation (MoSPI)
The National Statistical Office operates as the executive statistical wing under the Ministry of Statistics and Programme Implementation. Formed through the administrative merger of the Central Statistics Office and National Sample Survey Office, it bears responsibility for collecting, compiling, and disseminating primary national income, industrial production, and consumer price statistics.

58. (A) 15-20%
India exhibits a structural asymmetry where the agricultural sector continues to employ between forty and forty-five percent of the national workforce. However, its proportional contribution to Gross Value Added has steadily diminished over decades of economic development, currently hovering between fifteen and twenty percent of total national real GDP output.

59. (D) Disguised unemployment
Disguised unemployment occurs when more workers are engaged in an economic activity than structurally required for production. In this situation, the marginal physical productivity of surplus workers is zero, meaning overall output remains unchanged if surplus labor is removed. This phenomenon is particularly prevalent across rural agricultural sectors in developing nations.

60. (A) It shifted directly from agriculture to services, bypassing a strong manufacturing phase.
Standard economic development models predict a sequential transition from agriculture to manufacturing before moving toward a service-led economy. The Indian economy bypassed a dominant industrial growth phase, transitioning directly from agrarian dependence into a rapid expansion driven by tertiary services, leading economic analysts to describe this non-traditional development path as leapfrogging.

61. (B) Informal / Unorganized sector
The informal unorganized sector is defined by small unregistered enterprises, casual employment terms, low labor productivity, and an absence of formal social security protections. High reliance on unrecorded cash and non-monetized transactions creates severe data limitations, making output calculation for this sector particularly difficult within national statistical income accounting systems.

62. (B) Per Capita Real National Income
Evaluating individual living standards across a nation requires measuring net purchasing power per resident adjusted for population size and price inflation. Per Capita Real National Income accounts for capital asset depreciation, net international income flows, price fluctuations, and total population size, making it the most suitable macroeconomic standard of living indicator.

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63. (A) Unincorporated enterprises and self-employed individuals like farmers and shopkeepers
In national income accounting, mixed income of the self-employed represents factor returns accruing to unincorporated enterprises and self-employed workers such as artisans, farmers, and shopkeepers. In these operating entities, labor compensation, interest earned, land rent, and profits are inextricably combined, preventing statistical separation into distinct individual factor income accounting categories.

64. (C) Goa and Sikkim
State-level per capita income data displays significant economic disparities across Indian regions. Smaller states characterized by strong tourism, higher industrial activity, services expansion, and low population bases, such as Goa and Sikkim, consistently maintain the highest Per Capita Net State Domestic Product

rankings among all states in India nationwide today.

65. (D) Income inequality within the nation has decreased.
The Gini coefficient measures relative income concentration on a zero to one scale. Zero denotes complete distribution equality, while one denotes extreme inequality. A decline in the numerical value from 0.45 to 0.32 signifies a move toward a more egalitarian distribution, directly demonstrating a reduction in income inequality over time.

66. (C) K-shaped recovery
A K-shaped recovery describes an economic rebound post-recession where different sectors, industries, or socio-economic demographics diverge along separate trajectories. While upper-income groups, technology firms, and formal industries expand rapidly upward along the top arm of the letter, lower-income households, informal workers, and contact-intensive sectors decline downward along the bottom arm.

67. (B) Basic prices
Under the modern System of National Accounts aligned with international reporting guidelines, Gross Value Added is measured at basic prices. Basic prices capture producer production costs, incorporating production taxes and deducting production subsidies. However, product taxes and product subsidies are excluded from basic prices, being added later to compute GDP at market prices.

68. (D) Growth rate distortion due to an unusual reference point in the previous year.
The base effect denotes the distorting influence exerted by an unusually high or low historical figure in the reference comparison period. When evaluating percentage growth rates, an artificially depressed economic base from a prior period naturally inflates subsequent growth figures, producing statistically elevated growth rates despite modest underlying physical economic gains.

69. (A) It excludes imported consumer goods as it only covers domestic production.
While the GDP deflator covers all goods and services produced within national boundaries, its coverage is restricted exclusively to domestic production. Consequently, it completely omits price changes of imported consumer goods and services. Since consumer expenditure basket metrics rely heavily on foreign goods, this domestic limitation represents a primary analytical constraint.

70. (C) It is excluded from GDP due to the absence of market transactions.
National income accounting principles dictate that production must involve monetary transactions or reliable market price imputations to be recorded in GDP. Unpaid domestic work and household care duties, predominantly performed by women, do not pass through market channels. Due to valuation complexities and non-market characteristics, these activities are omitted from GDP calculations.

71. (A) Income or wealth inequality
The Lorenz curve provides a graphical illustration of income or wealth distribution across a population. By plotting the cumulative percentage of total national population against the cumulative percentage of national income earned, it visualizes distribution variance relative to a forty-five-degree line of perfect equality, serving as the basis for calculating Gini coefficients.

72. (D) Hindrance to timely macroeconomic policy-making by authorities.
Accurate macroeconomic interventions depend on the availability of timely economic statistics. Lags in collecting and publishing data force policymakers to formulate fiscal policies based on outdated estimates. Delayed information creates uncertainty, distorts growth evaluations, and impedes monetary authority adjustments necessary to manage emerging economic shocks and inflation dynamics across sectors.

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73. (B) A failure to create enough non-agricultural productive jobs.
Structural transformation typically involves labor shifting from low-productivity agriculture toward higher-productivity manufacturing and services. A declining share of agriculture in national output alongside an unyielding agricultural workforce share signals economic stagnation. This structural mismatch demonstrates that non-agricultural sectors have failed to absorb rural workers by generating sufficient productive labor opportunities.

74. (C) Using resources so future generations inherit a robust resource base.
Intergenerational equity is a fundamental ethical principle of sustainable development. It dictates that the present generation should utilize natural, economic, and environmental resources responsibly. By avoiding environmental degradation and resource depletion, contemporary society ensures that future generations inherit an adequate capital stock and clean ecological baseline to fulfill their needs.

75. (D) Stock market participation
The Multidimensional Poverty Index assesses acute deprivation across three primary dimensions: health, education, and living standards. These dimensions encompass indicators like nutrition, child mortality, years of schooling, cooking fuel, sanitation, drinking water, electricity, housing, and assets. Financial asset trading and stock market participation are completely excluded from these poverty dimensions.

76. (A) Production cost paid to acquire factors of production.
Factor cost represents the total direct expenditure incurred by producers to compensate production factors involved in creating goods or services. It comprises payments made for land rent, labor wages, capital interest, and managerial profits. Factor cost excludes market-distorting elements such as indirect commercial product taxes and government production subsidies nationwide.

77. (B) The stagnant share of manufacturing at around 16-17% of GDP.
The Make in India campaign was launched in September 2014 to revitalize the domestic industrial sector. India's manufacturing contribution had stagnated at sixteen to seventeen percent of GDP for decades. The policy initiative aimed to attract foreign investment, foster innovation, enhance skill development, build world-class infrastructure, and increase manufacturing GDP share to twenty-five percent.

78. (B) Per Capita GDP
Per Capita Gross Domestic Product is a basic economic indicator calculated by taking total domestic product generated within national borders and dividing it by the country's mid-year total population size. It serves as a standard metric to gauge average economic output generated per individual, facilitating cross-country economic performance comparisons worldwide.

79. (A) Pocket money given by a father to his son
National income includes factor payments received in return for productive services, including military wages, corporate profit distributions, and agricultural land rent. Pocket money provided within a household represents a intra-family financial transfer without any productive output exchanged. As an unearned transfer payment, pocket money is excluded from national income estimates.

80. (C) GDP measures output within geographic borders, reflecting domestic activity.
Gross Domestic Product measures total value generated within national geographical borders regardless of ownership, making it the preferred metric for assessing internal domestic economic activity, employment demand, and territorial productivity. Conversely, Gross National Product shifts focus to ownership by resident citizens globally, incorporating international factor flows that complicate pure domestic analysis.

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CHAPTER 05
Fiscal Monetary Policy

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1. Which of the following provides the most accurate definition of fiscal policy?
(A) The strategy implemented by the central bank to regulate money supply and interest rates.
(B) The government's use of taxation, public expenditure, and borrowing to influence the economy.
(C) The framework adopted by commercial banks to manage their non-performing assets.
(D) The regulation of foreign exchange reserves and international trade tariffs by the government.

2. The Monetary Policy Committee (MPC) in India was constituted in 2016 under the Reserve Bank of India Act, 1934. How many members comprise this committee?
(A) Four members
(B) Five members
(C) Six members
(D) Seven members

3. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R).
Assertion (A): During an economic recession, the government typically adopts an expansionary fiscal policy.
Reason (R): Expansionary fiscal policy involves reducing public expenditure and increasing taxes to cool down aggregate demand.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

4. Which of the following is an example of a qualitative (selective) instrument of monetary policy rather than a quantitative one?
(A) Cash Reserve Ratio (CRR)
(B) Statutory Liquidity Ratio (SLR)
(C) Margin Requirements
(D) Open Market Operations (OMO)

5. The Liquidity Adjustment Facility (LAF) is a monetary policy tool used by the Reserve Bank of India. What is its primary function?
(A) To manage daily liquidity mismatches through repo and reverse repo operations.
(B) To provide extended development loans and long-term credit for national infrastructure projects.
(C) To establish corporate income tax slabs and direct tax compliance rules for commercial entities.
(D) To supervise the public issuance and trading of equity shares by commercial banks in stock markets.

6. Consider the following statements regarding the inflation targeting framework in India:
I. The Government of India sets the inflation target in consultation with the Reserve Bank of India.
II. The current inflation target is set at 4 percent Consumer Price Index (CPI) inflation.
III. The upper tolerance limit for inflation is 6 percent and the lower tolerance limit is 2 percent.
Which of the combinations of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

7. Progressive taxation is considered an effective fiscal instrument primarily because it helps achieve which of the following objectives?
(A) It encourages higher consumption among the wealthiest individuals.
(B) It promotes equitable redistribution of wealth and reduces income inequality.
(C) It ensures that tax rates decrease as the income of an individual increases.
(D) It maximizes indirect tax collection from essential commodities.

8. In the context of the Reserve Bank of India's monetary policy, what does the Repo Rate indicate?
(A) The rate at which the RBI absorbs liquidity from commercial banks.
(B) The interest rate at which commercial banks lend to their most creditworthy corporate clients.
(C) The rate at which the RBI lends short-term funds to commercial banks against approved securities.
(D) The penalty rate charged by the RBI on banks for failing to maintain the Cash Reserve Ratio.

9. Match the monetary policy instruments in List I with their appropriate functions in List II.
List I: Monetary Policy Instruments
P. Reverse Repo Rate
Q. Marginal Standing Facility
R. Open Market Operations
S. Moral Suasion
List II: Functions
1. Buying and selling of government securities by the RBI
2. Emergency overnight borrowing window for banks
3. Tool used by the RBI to absorb surplus liquidity
4. Persuading commercial banks to adhere to RBI policies
(A) P-3, Q-2, R-1, S-4
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-4, Q-2, R-1, S-3

10. Deficit financing is a method used by the government to bridge the gap between its public expenditure and public revenue. What is the most immediate potential risk of excessive deficit financing?
(A) Demand-pull inflation due to an excessive increase in the money supply.
(B) A rapid appreciation of the domestic currency in foreign exchange markets.
(C) An uncontrollable increase in the country's foreign exchange reserves.
(D) Deflation caused by a sudden drop in aggregate consumer demand.

11. Cost-push inflation is caused by a decrease in aggregate supply. Which of the following is NOT a typical cause of cost-push inflation?
(A) A sudden, steep increase in global crude oil prices.
(B) A substantial increase in government capital expenditure on new infrastructure.
(C) Widespread crop failures leading to an increase in agricultural raw material prices.
(D) A significant increase in statutory minimum wages for industrial workers.

12. The Reserve Bank of India utilizes various policy rates to manage liquidity. Arrange the following rates in their usual ascending order of interest rate magnitude under a normal liquidity corridor.
1. Marginal Standing Facility (MSF) Rate
2. Reverse Repo Rate
3. Repo Rate
Which of the following is the correct sequence?
(A) 1, 2, 3
(B) 2, 3, 1
(C) 3, 2, 1
(D) 2, 1, 3

13. The Marginal Standing Facility (MSF) allows commercial banks to borrow overnight funds from the Reserve Bank of India. How does the MSF rate generally compare to the standard Repo rate?
(A) The MSF rate is typically higher than the Repo rate.
(B) The MSF rate is always lower than the Repo rate.
(C) The MSF rate is identical to the Repo rate at all times.
(D) The MSF rate is determined independently by individual commercial banks.

14. Consider the following statements distinguishing fiscal policy from monetary policy:
I. Fiscal policy is formulated and implemented by the government.
II. Monetary policy is conducted primarily through taxation and public borrowing.
III. The Reserve Bank of India is the controlling authority for monetary policy.
IV. Changes in the Cash Reserve Ratio (CRR) represent a fiscal policy intervention.
Which of the combinations of the above statements is correct?
(A) I and III only
(B) II and IV only
(C) I, II, and III only
(D) I, III, and IV only

15. If the Reserve Bank of India decides to inject liquidity into the banking system to stimulate

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economic growth, which of the following Open Market Operations (OMO) will it most likely undertake?
(A) Selling government securities to commercial banks.
(B) Issuing new currency notes directly to the public.
(C) Increasing the margin requirements for commercial loans.
(D) Buying government securities from commercial banks.

16. A contractionary fiscal policy is most appropriate in which of the following macroeconomic scenarios?
(A) When the national economy is facing a severe economic recession accompanied by high unemployment rates.
(B) When overall private investment has collapsed completely and real economic growth becomes negative.
(C) When there is high demand-pull inflation due to excess aggregate demand.
(D) When the central monetary authority has lowered the benchmark repo rate to its historical minimum.

17. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R).
Assertion (A): An increase in the Cash Reserve Ratio (CRR) by the RBI reduces the lending capacity of commercial banks.
Reason (R): Banks are required to park a higher proportion of their total deposits with the RBI, leaving fewer funds available for credit creation.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

18. Demand-pull inflation occurs when aggregate demand outpaces aggregate supply in an economy. Which of the following is most likely to trigger demand-pull inflation?
(A) A sudden and severe disruption across global supply chains that limits production output.
(B) A steep and continuous rise in the domestic market cost of imported essential raw materials.
(C) A substantial increase in the operational cost of industrial electricity and commercial power.
(D) A massive increase in consumer spending fueled by lower direct taxes.

19. Public expenditure is broadly classified into capital and revenue expenditure. Which of the following is correctly identified as a capital expenditure by the government?
(A) Construction of a new national highway network.
(B) Payment of salaries and pensions to government employees.
(C) Interest payments on previous domestic and international borrowings.
(D) Expenditure on regular maintenance of existing government buildings.

20. Consider the following statements regarding the Monetary Policy Committee (MPC):
I. It is a 6-member body with three members from the RBI and three nominated by the Central Government.
II. The Union Finance Minister serves as the ex-officio Chairperson of the MPC.
III. The primary mandate of the MPC is to determine the policy interest rate required to achieve the inflation target.
Which of the combinations of the above statements is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

21. When the Reserve Bank of India increases the Reverse Repo Rate, what is the intended effect on the banking system?
(A) It incentivizes commercial banks to park surplus funds with the RBI.
(B) It encourages commercial banks to expand credit creation and lend aggressively to retail borrowers.
(C) It imposes regulatory financial penalties on banks failing to achieve priority sector targets.
(D) It mandates an immediate drop in retail lending interest rates for personal loans and mortgages.

22. Match the economic scenarios in List I with the corresponding policy responses in List II.
List I: Economic Scenarios
P. High unemployment and stagnant growth
Q. Overheating economy with demand-pull inflation

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R. Supply shocks leading to high production costs
S. Inadequate credit expansion by banks

List II: Policy Responses

1. Expansionary Monetary Policy (Rate Cuts)
2. Expansionary Fiscal Policy (Stimulus)
3. Contractionary Fiscal Policy (Tax Hikes)
4. Supply-side interventions (Tax reliefs on inputs)

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-3, S-1
(D) P-3, Q-1, R-4, S-2

23. Effective macroeconomic management requires coordination between fiscal and monetary authorities. Which of the following situations describes a significant coordination challenge?
(A) The central government steadily reduces the structural fiscal deficit while the RBI simultaneously cuts the benchmark repo rate.
(B) Heavy government borrowing raises interest rates while the RBI attempts to keep policy rates low.
(C) The RBI routinely conducts open market purchases of government bonds while the central government maintains a balanced fiscal budget.
(D) The government expands progressive tax schedules while the central bank concurrently executes a planned liquidity injection program.

24. Under the qualitative instruments of monetary policy, what is meant by "Direct Action"?
(A) The monetary authority engaging in direct retail purchasing of long-term financial securities from private individual investors.
(B) The executive government directly administering and fixing retail consumer prices for all essential household commodities.
(C) The RBI imposing penalties or denying credit facilities to non-compliant banks.
(D) The central bank directly granting non-refundable cash subsidies to priority economic sector borrowers nationwide.

25. Select the correct logical sequence of events that illustrates the monetary transmission mechanism following an expansionary monetary policy action by the RBI.
(A) Increased investment and consumption → Lower lending rates by banks → RBI cuts Repo Rate → Higher GDP growth.
(B) RBI cuts Repo Rate → Lower lending rates by banks → Increased investment and consumption → Higher GDP growth.
(C) Lower lending rates by banks → RBI cuts Repo Rate → Higher GDP growth → Increased investment and consumption.
(D) Higher GDP growth → RBI cuts Repo Rate → Increased investment and consumption → Lower lending rates by banks.

26. A persistently high fiscal deficit can pose an inflationary threat to the economy. By what mechanism does a high fiscal deficit most directly contribute to inflationary pressure?
(A) It creates excess demand when financed by debt that expands money supply.
(B) It forces the central government to slash corporate tax rates unconditionally across all commercial sectors.
(C) It artificially subsidizes and lowers the procurement cost of key imported industrial manufacturing inputs.
(D) It triggers an immediate statutory reduction in the wage and pension structures of public sector employees.

27. Consider the following monetary policy instruments:
I. Open Market Operations (OMO)
II. Margin Requirements
III. Statutory Liquidity Ratio (SLR)
IV. Moral Suasion
Which of the combinations of the above instruments represents strictly quantitative instruments of monetary policy?
(A) I and II only
(B) I and III only
(C) II and IV only
(D) III and IV only

28. The Statutory Liquidity Ratio (SLR) requires commercial banks to maintain a prescribed fraction of their Net Demand and Time Liabilities (NDTL) in the form of liquid assets. Which of the following is an eligible asset for maintaining SLR?
(A) Substandard non-performing assets (NPAs)
(B) Unencumbered government securities
(C) Commercial real estate properties held by the bank
(D) High-risk equity shares of private startup companies

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29. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R).
Assertion (A): In the post-pandemic phase, the Reserve Bank of India gradually shifted its monetary policy stance to "withdrawal of accommodation."
Reason (R): The shift was necessitated to anchor inflation expectations and control rising inflation pressures as the economy recovered from the pandemic shock.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

30. Margin requirement is a qualitative tool used by the RBI to control credit flow to specific sectors. What exactly does a "margin" represent in this context?
(A) The net profit margin percentage earned by a commercial lending institution on a corporate credit loan.
(B) The absolute minimum daily cash reserve balance a scheduled bank must deposit directly with the RBI.
(C) The gap between collateral market value and the maximum loan amount granted.
(D) The net interest rate spread between the corporate lending rate and retail deposit rate of a bank.

31. Which of the following measures is NOT an instrument of expansionary fiscal policy?
(A) An increase in government capital expenditure on railways.
(B) A reduction in corporate tax rates to spur private investment.
(C) The launch of new public welfare schemes providing direct cash transfers.
(D) An increase in direct tax rates for middle-income households.

32. From the perspective of long-term economic growth, why is capital expenditure generally preferred over revenue expenditure in government budgeting?
(A) Capital expenditure is legally exempt from requiring statutory parliamentary approval, unlike standard revenue spending.
(B) Capital expenditure produces an immediate automated reduction in the primary fiscal deficit during the current financial year.
(C) It creates productive assets that expand future national economic capacity.
(D) Capital expenditure is completely financed through non-repayable foreign grants without relying on domestic market borrowing.

33. Consider the following factors:
I. A sharp increase in industrial wage rates unmatched by productivity gains.
II. A sudden reduction in indirect taxes on essential commodities.
III. Supply-chain bottlenecks causing raw material shortages.
Which of the combinations of the above factors contributes to cost-push inflation?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

34. Match the policy objectives in List I with their standard policy instruments in List II.
List I: Policy Objectives
P. Controlling demand-pull inflation
Q. Stimulating an economy during a recession
R. Providing emergency liquidity to a single distressed bank
S. Ensuring redistributive justice
List II: Standard Policy Instruments
1. Implementing progressive income taxation
2. Marginal Standing Facility (MSF)
3. Increasing the Cash Reserve Ratio (CRR)
4. Deficit financing and tax cuts
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-4, R-2, S-3

35. Following an amendment to the Reserve Bank of India Act, 1934, a flexible inflation targeting framework was statutorily adopted in India. In which year was this formally instituted along with the creation of the MPC?
(A) 2014
(B) 2016
(C) 2018
(D) 2020

36. Which of the following statements most accurately describes a key difference between the Liquidity Adjustment Facility (LAF) and the Marginal Standing Facility (MSF)?
(A) Under LAF operations, banks borrow funds completely uncollateralized, whereas

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MSF strictly requires pledging sovereign government bonds as collateral.
(B) LAF liquidity windows are restricted exclusively to registered Non-Banking Financial Companies, whereas MSF is accessible only to scheduled commercial banks.
(C) LAF requires pledging securities above SLR quota, while MSF allows dipping into the SLR quota up to a specified limit.
(D) LAF repo operations are designed specifically for long-term structural liquidity adjustment, whereas MSF functions exclusively as an intraday credit facility.

37. Among the following measures to control inflation, identify the odd one out in terms of the implementing authority.
(A) Reducing government revenue expenditure.
(B) Increasing the Repo Rate.
(C) Selling government bonds via Open Market Operations.
(D) Raising the Cash Reserve Ratio.

38. According to the inflation targeting framework, what is the mandated institutional process if average CPI inflation breaches the tolerance band limits for three consecutive quarters? Arrange the logical steps:
1. The RBI formulates remedial actions and an estimated time period to achieve the target.
2. The RBI drafts a formal report explaining the reasons for the failure to achieve the target.
3. The report is submitted to the Central Government.

Which of the following is the correct sequence?
(A) 1, 2, 3
(B) 3, 2, 1
(C) 2, 1, 3
(D) 2, 3, 1

39. What is the standard macroeconomic impact of aggressive monetary tightening (contractionary monetary policy) by the central bank?
(A) It systematically lowers borrowing costs across credit markets, stimulating private business investment.
(B) It raises interest rates, dampening consumption and investment, which slows GDP growth.
(C) It automatically expands the structural fiscal deficit by legally forcing the ministry to raise tax rates.
(D) It triggers an immediate depreciation of the domestic currency to enhance international export competitiveness.

40. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R).
Assertion (A): A very high fiscal deficit can limit the central bank's ability to lower interest rates even during an economic slowdown.
Reason (R): High government borrowing to fund the deficit increases the supply of government bonds, pushing up bond yields and posing upside risks to inflation.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

41. Which among the following acts as an instrument of contractionary fiscal policy?
(A) Granting multi-year tax holidays to spur investment in newly established startup enterprises.
(B) Slashing basic tariff rates and customs duties on imported industrial raw materials.
(C) Significantly raising mandatory credit allocation targets for priority sector lending.
(D) Reducing expenditure on public subsidies.

42. Consider the following statements regarding the RBI's monetary policy statements:
I. The Monetary Policy Committee meets on a bi-monthly basis.
II. The statements provide market signaling regarding the RBI's economic outlook.
III. The policy statement decisions require the unanimous consent of all MPC members.
IV. The RBI Governor holds a casting vote in the event of a tie in the MPC.

Which of the combinations of the above statements identifies the incorrect statement(s)?
(A) I and II only
(B) III only
(C) II and IV only
(D) I and IV only

43. Suppose the Indian economy is facing a severe liquidity crunch and a slowdown in industrial growth. To counter this, the RBI decides to conduct Open Market Operations (OMO). What specific action will it take?
(A) It will aggressively sell domestic government

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bonds and treasury bills in the open financial market.
(B) It will buy government securities from the open market.
(C) It will completely suspend and halt all statutory secondary market trading of government securities.
(D) It will mandate the central government to immediately issue high-yield tax-free infrastructure bonds.

44. Income taxes often act as "automatic stabilizers" in the economy. What does this mean in the context of fiscal policy?
(A) They continuously maintain statutory budget equilibrium so that the annual fiscal deficit remains zero.
(B) They increase tax liabilities during booms to cool demand without requiring new legislation.
(C) They automatically convert unaccounted income into legal tender during high inflationary cycles.
(D) They directly stabilize and anchor the foreign exchange rate of the domestic currency against foreign currencies.

45. Match the macroeconomic terms in List I with their correct descriptions in List II.
List I: Macroeconomic Terms
P. Fiscal Deficit
Q. Revenue Deficit
R. Primary Deficit
S. Monetized Deficit
List II: Descriptions
1. Total expenditure minus total receipts excluding borrowings
2. Fiscal deficit minus interest payments
3. Revenue expenditure minus revenue receipts
4. The part of the fiscal deficit financed by borrowing from the RBI
(A) P-1, Q-3, R-2, S-4
(B) P-3, Q-1, R-2, S-4
(C) P-1, Q-3, R-4, S-2
(D) P-2, Q-3, R-1, S-4

46. Under the current legislative framework in India, what is the primary objective of monetary policy?
(A) To maximize the annual operational profitability and dividend payouts of public sector commercial banks.
(B) To guarantee a strictly balanced fiscal budget for the Central Government at the close of every fiscal year.
(C) To maintain price stability while supporting economic growth.
(D) To maintain a fixed nominal exchange rate peg for the domestic currency against major foreign currencies like the US Dollar.

47. The term "Repo" in monetary policy stands for Repurchase Agreement. What is the fundamental nature of this transaction when banks borrow from the RBI?
(A) The central bank purchases distressed non-performing assets from commercial banks on a permanent, non-recourse basis.
(B) Commercial banks pledge their aggregate customer fixed deposit accounts with the RBI to obtain unsecured overnight loans.
(C) The RBI prints and issues new currency notes directly in exchange for long-term foreign exchange reserves held by banks.
(D) Banks sell government securities to the RBI, agreeing to repurchase them later at a set price.

48. Consider the following statements about the Marginal Standing Facility (MSF):
I. It acts as a safety valve against unanticipated liquidity shocks to the banking system.
II. It is available to all scheduled commercial banks.
III. Borrowing under MSF is permitted even if the bank's SLR portfolio falls below the statutory limit up to a permitted percentage.
Which of the combinations of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

49. While determining the tax structure, a government heavily favors a progressive tax regime over a regressive one. What is the most likely primary aim behind this fiscal choice?
(A) To actively encourage capital concentration and wealth accumulation among top income percentiles.
(B) To promote equity by taxing individuals based on their ability to pay.
(C) To ensure that the tax burden falls disproportionately on vulnerable, low-income demographic groups.
(D) To streamline and simplify the statutory administrative procedures of federal revenue

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collection.

50. Select the correct logical sequence of the effects of implementing an expansionary fiscal policy during an economic downturn.
(A) Increased aggregate demand → Higher production and employment → Government increases spending/cuts taxes → Economic recovery.
(B) Government increases spending/cuts taxes → Increased aggregate demand → Higher production and employment → Economic recovery.
(C) Economic recovery → Increased aggregate demand → Government increases spending/cuts taxes → Higher production and employment.
(D) Government increases spending/cuts taxes → Higher production and employment → Economic recovery → Decreased aggregate demand.

51. Which institutional authorities are respectively responsible for formulating Fiscal Policy and Monetary Policy in India?
(A) The Ministry of Finance and the Reserve Bank of India.
(B) The Reserve Bank of India and the Ministry of Finance.
(C) The NITI Aayog and the Securities and Exchange Board of India.
(D) The Finance Commission and the Ministry of Commerce.

52. Consider the following statements regarding the Liquidity Adjustment Facility (LAF):
I. It was introduced by the RBI based on the recommendations of the Narasimham Committee (1998).
II. It operates primarily through repo and reverse repo auctions.
III. It is used to inject permanent liquidity into the economy over a multi-year horizon.
IV. It helps in the daily day-to-day liquidity management of banks.
Which of the combinations of the above statements is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, III, and IV only

53. If the Consumer Price Index (CPI) inflation in India reaches 7.5% for an extended period, it means inflation has breached the upper tolerance band. Which policy response is the RBI most likely to adopt?
(A) A series of Repo Rate hikes to tighten monetary conditions.
(B) A significant reduction in the Cash Reserve Ratio.
(C) A shift to an expansionary monetary policy stance.
(D) An extensive Open Market Purchase of government securities.

54. When the government substantially increases its public borrowing to finance a large fiscal deficit, it may lead to a phenomenon known as the "crowding out effect." What does this effect entail?
(A) The government completely displaces and crowds out foreign institutional investors from participating in domestic stock markets.
(B) Accelerated government fiscal spending inadvertently triggers widespread financial insolvency and corporate bankruptcy among domestic firms.
(C) The monetary authority is forced to restrict commercial banking institutions from participating in national currency distribution networks.
(D) Increased government borrowing raises interest rates, reducing private investment.

55. Cost-push inflation is notoriously difficult to control using standard monetary policy because tightening money supply might worsen output. Which of the following is generally considered the most appropriate remedy for cost-push inflation?
(A) Aggressively raising direct income tax rates across all household income brackets to suppress private disposable funds.
(B) Supply-side policies to improve productivity and ease bottlenecks.
(C) Escalating key central bank interest rates to historically unprecedented high levels to eradicate aggregate consumer demand.
(D) Direct unbacked currency creation by the treasury to extensively subsidize household goods and consumer purchases.

56. All of the following are recognized causes of demand-pull inflation, EXCEPT:
(A) A sudden boom in export demand for domestic goods.
(B) A substantial increase in the money supply by the central bank.

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(C) A sharp reduction in indirect taxes leading to lower retail prices for goods.
(D) A surge in consumer confidence leading to massive unbacked credit expansion.

57. Under qualitative instruments of monetary policy, the RBI often uses "Moral Suasion." What does this entail?
(A) Imposing heavy statutory monetary fines and severe regulatory penalties on non-compliant commercial banking entities.
(B) Statutory enforcement of precise numerical quota allocations for credit disbursement exclusively to rural agricultural sectors.
(C) Mandating sharp statutory increases in collateral margin requirements for commercial loans secured by equities and primary commodities.
(D) Issuing informal advice to banks to align lending with RBI guidelines.

58. An economy is experiencing a combination of a contractionary monetary policy and an expansionary fiscal policy. What is the most likely combined impact on interest rates and aggregate demand?
(A) Interest rates will rise, while the impact on demand depends on policy strength.
(B) Market interest rates will decline rapidly, while the ultimate net outcome on aggregate macroeconomic demand remains highly ambiguous.
(C) Key market interest rates and overall aggregate macroeconomic demand will both experience sharp, synchronized contractions across all sectors.
(D) Key market interest rates and overall aggregate macroeconomic demand will both experience rapid, uncontrollable expansion throughout the economic system.

59. In the context of the RBI's liquidity management framework, the Marginal Standing Facility (MSF) acts as the upper bound of the policy corridor. By how many basis points is the MSF rate typically maintained above the standard Repo Rate under a normalized policy framework?
(A) 10 basis points
(B) 25 basis points
(C) 100 basis points
(D) 200 basis points

60. Governments utilize various methods to finance a fiscal deficit. Identify the odd one out, which is NOT a method of deficit financing.
(A) Borrowing from domestic markets by issuing government bonds.
(B) Decreasing the Cash Reserve Ratio for commercial banks.
(C) Borrowing from bilateral or multilateral international institutions.
(D) Monetization of the deficit by borrowing from the central bank.

61. From the perspective of government accounting, identify the correctly matched pair of expenditure type and its example.
(A) Revenue Expenditure — Grants given to State Governments.
(B) Revenue Expenditure — Infrastructure construction of a new hydroelectric power dam project.
(C) Capital Expenditure — Monthly salary and allowance payments to active defense personnel.
(D) Capital Expenditure — Annual interest obligations paid on historical accumulated public debt.

62. If the RBI decides to hike the Reverse Repo Rate, what is the most direct consequence on the behavior of commercial banks?
(A) Commercial banks will incur severe regulatory fines for carrying excessive unutilized statutory liquid reserves.
(B) Commercial banks will aggressively lower retail lending rates for corporate entities to maintain quarterly profit margins.
(C) Banks will prefer parking excess funds with the RBI over lending to the public.
(D) Commercial banks will immediately face an acute national shortage of eligible sovereign government securities.

63. Under the flexible inflation targeting framework in India, the target of 4% CPI inflation with a +/- 2% tolerance band is fixed for a specified duration. How often is this inflation target reviewed and set by the Government of India?
(A) Every year
(B) Every three years
(C) Every five years
(D) Every ten years

64. Open Market Operations (OMO) involve the sale and purchase of government securities by the

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RBI. Who are the primary eligible participants that the RBI deals with in these operations?
(A) Individual retail investors and households.
(B) Foreign institutional investors exclusively.
(C) Commercial banks and primary dealers.
(D) State government finance departments.

65. If a country is experiencing uncomfortably high inflation, a prudent contractionary fiscal policy would most likely involve which of the following?
(A) Increasing public infrastructure spending to boost supply.
(B) Reducing government spending and increasing taxation.
(C) Lowering the central bank's policy interest rates.
(D) Providing extensive tax rebates to middle-income earners.

66. A sustained increase in the repo rate by the central bank makes borrowing costlier. What is the standard applied impact of this on corporate investment and employment generation?
(A) Corporate capital investment accelerates sharply across all industrial sectors, creating rapid immediate employment generation nationwide.
(B) Corporate investment activity remains completely unaffected because capital allocation depends strictly and solely on fiscal policy parameters.
(C) Commercial enterprises aggressively hire additional full-time industrial workers to operationalize productivity gains and offset high borrowing costs.
(D) Corporate investment slows as financing costs rise, dampening employment.

67. The term "Repo" is widely used in monetary policy discussions. What is its full form?
(A) Repurchase Agreement
(B) Reserve Portfolio Option
(C) Repurchase Option
(D) Reserve Performance Order

68. The central bank uses margin requirements to curb speculative hoarding of essential commodities (like pulses or edible oils). If inflation in these specific commodities is rising, what action will the RBI likely take regarding their margin requirement?
(A) It will substantially decrease the mandatory margin requirement to maximize commercial bank credit flow to speculative trading sectors.
(B) It will completely abolish and deregulate all margin requirements across commodity markets to promote free-market agricultural trade.
(C) It will raise the margin requirement, requiring traders to use more own funds.
(D) It will permanently replace margin requirements with direct central government cash subsidies granted directly to commercial traders.

69. Which of the following statements correctly establishes the relationship between a high fiscal deficit and the money supply?
(A) Monetizing a high fiscal deficit by issuing new money directly expands the money supply.
(B) A high government fiscal deficit consistently reduces aggregate broad money supply measures across the overall macroeconomy.
(C) A large fiscal deficit operates entirely independently and maintains no direct or indirect macroeconomic link to national money supply metrics.
(D) Financing a fiscal deficit via sovereign external borrowing from international bodies automatically shrinks domestic commercial money supply.

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70. Post-pandemic, the RBI shifted from an "accommodative" stance to a "withdrawal of accommodation" stance. What does an accommodative stance signify?
(A) The monetary authority focuses exclusively on drastically reducing the annual fiscal deficit incurred by the central government.
(B) The monetary authority remains committed to continually hiking benchmark interest rates irrespective of national economic growth metrics.
(C) The monetary authority aggressively drains aggregate excess liquidity from financial markets to induce currency exchange rate appreciation.
(D) The central bank expands money supply and cuts interest rates to boost growth.

71. Identify the INCORRECT statement regarding different types of taxation.
(A) Under progressive taxation, the tax rate increases as the taxable income increases.
(B) Progressive taxation generally widens the income inequality gap in a developing

economy.
(C) Under proportional taxation, the tax rate remains constant regardless of the income level.
(D) Under regressive taxation, lower-income individuals pay a higher percentage of their income as tax compared to higher-income individuals.

72. During a severe economic slowdown, an increase in public expenditure is advocated by Keynesian economics. What is the primary theoretical mechanism by which this helps the economy?
(A) It produces an immediate automated contraction in the country's cumulative structural fiscal deficit.
(B) It forces the monetary authority to intervene in currency markets and appreciate the domestic exchange rate.
(C) It injects demand, creating a multiplier effect on output and employment.
(D) It causes an immediate downward repricing of retail consumer goods, completely halting price inflation.

73. A "coordination failure" between fiscal and monetary policy is most evident in which of the following scenarios?
(A) The federal government sharply reduces public expenditure during an inflation surge while the RBI simultaneously hikes the benchmark repo rate.
(B) Both the central government and the RBI simultaneously deploy coordinated expansionary fiscal and monetary measures during a severe economic recession.
(C) The central bank consistently absorbs excess banking liquidity while the central government maintains a strict statutory balanced budget framework.
(D) The government deploys deficit-funded fiscal stimulus while the RBI raises rates to fight inflation.

74. Which of the following components does NOT count towards a commercial bank's Statutory Liquidity Ratio (SLR) maintenance?
(A) Corporate bonds of private manufacturing firms.
(B) Cash in hand with the bank.
(C) Gold owned by the bank.
(D) Unencumbered Central and State Government securities.

75. According to the Reserve Bank of India Act, 1934 (as amended for inflation targeting), what is the minimum number of times the Monetary Policy Committee (MPC) is mandated to meet in a year?
(A) Two times
(B) Four times
(C) Six times
(D) Twelve times

76. If the RBI sells government securities heavily in the open market, what is the most likely impact on commercial bank reserves and the money supply?
(A) Bank reserves increase, and the money supply expands.
(B) Bank reserves decrease, and the money supply contracts.
(C) Bank reserves remain unchanged, but the money supply expands.
(D) Bank reserves decrease, but the money supply expands due to a multiplier failure.

77. An economic analyst observes that general price levels are rising simultaneously with a sharp decline in industrial output and rising unemployment. Which type of inflation is most likely occurring?
(A) Cost-push inflation (Stagflation)
(B) Demand-pull inflation
(C) Deflation
(D) Hyperinflation fueled by excess demand

78. In the RBI's liquidity management framework, the operating target of monetary policy is the weighted average call money rate (WACR). The RBI aims to keep the WACR within the LAF corridor. What forms the ceiling and the floor of this corridor, respectively?
(A) The benchmark Repo Rate and the overnight central Bank Rate set by the monetary policy committee.
(B) Statutory Liquidity Ratio (SLR) minimum compliance targets and the statutory Cash Reserve Ratio (CRR).
(C) Marginal Standing Facility (MSF) Rate and Standing Deposit Facility (SDF) Rate
(D) The primary central Bank Rate and the statutory commercial bank Base Rate calculated by major lenders.

79. Which of the following is a correct statement regarding capital expenditure by the government?
(A) It generates exclusively short-term

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operational benefits and must be routinely re-incurred within every financial year.

(B) It encompasses routine operational expenditure incurred on administrative government services and ongoing public pension liabilities.

(C) It remains entirely unproductive and fails to generate any measurable macroeconomic multiplier effect on national economic growth.

(D) It creates physical or financial assets or reduces financial liabilities.

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80. To achieve stable, non-inflationary economic growth, what is generally considered the most effective macroeconomic policy mix?

(A) Complete, exclusive reliance on aggressive fiscal expansion while permanently excluding the central monetary bank from active macroeconomic policy making.

(B) Complete, exclusive reliance on severe monetary tightening combined with persistent, uncontrolled central government fiscal deficit spending.

(C) Coordinated counter-cyclical fiscal and monetary policies aligned toward shared economic goals.

(D) A permanent expansionary monetary liquidity policy combined directly with highly regressive indirect taxation across all consumer sectors.

ANSWERS

1. (B) The government's use of taxation, public expenditure, and borrowing to influence the economy.
Fiscal policy refers to the strategic use of government taxation, public spending, and borrowing to influence economic performance. Through these tools, governments aim to achieve macroeconomic goals such as full employment, price stability, sustainable economic growth, and equitable income distribution. By adjusting tax rates and spending levels, fiscal authorities directly regulate aggregate demand within a nation.

2. (C) Six members
The Monetary Policy Committee in India is a statutory six-member committee established under the Reserve Bank of India Act, 1934. It comprises three internal members from the central bank, including the Governor, and three external members appointed by the Central Government. The committee meets periodically to decide policy rates necessary for maintaining targeted national inflation levels.

3. (C) Assertion (A) is true but Reason (R) is false.
During an economic recession, governments deploy expansionary fiscal policies to stimulate economic recovery and increase overall output. This policy approach requires boosting public expenditure and slashing taxes to raise disposable income and stimulate aggregate demand. Reducing public expenditure while raising taxes describes contractionary fiscal policy, which cools down overheating economies rather than combating recessionary macroeconomic downturns.

4. (C) Margin Requirements
Margin requirements represent a qualitative or selective instrument of monetary policy used by central banks to regulate credit flow into specific sectors. Unlike quantitative tools like the Cash Reserve Ratio or Open Market Operations that affect overall systemic liquidity, qualitative tools alter credit conditions for targeted industries, preventing speculative activities and directing loans toward priority areas.

5. (A) To manage daily liquidity mismatches through repo and reverse repo operations.
The Liquidity Adjustment Facility is a monetary policy framework utilized by the Reserve Bank of India to manage short-term liquidity fluctuations in the commercial banking system. Operating through repo and reverse repo auctions, it enables banks to borrow funds during temporary shortages or deposit surplus liquidity, ensuring stability in short-term market interest rates and financial operations.

6. (D) I, II, and III
India's statutory inflation targeting framework mandates that the Central Government, in consultation with the central bank, determines the inflation target once every five years. The official target is set at four percent Consumer Price Index inflation, accompanied by a symmetric tolerance band of two percent, defining an acceptable inflation range between two and six percent.

7. (B) It promotes equitable redistribution of wealth and reduces income inequality.
Progressive taxation applies higher tax rates to individuals with greater taxable income. By collecting a larger percentage of earnings from high-income earners, this fiscal mechanism enables governments to redistribute resources through public social expenditure, reducing income disparities and fostering social equity across socio-economic strata while raising essential revenue for national development projects.

8. (C) The rate at which the RBI lends short-term funds to commercial banks against approved securities.
The Repo Rate is the key policy interest rate at which the central bank provides short-term liquidity to commercial banks against approved government securities. It serves as a primary benchmark for controlling systemic money supply, where adjustments directly influence commercial lending rates, corporate credit expansion, borrowing costs, and broader macroeconomic activity across the nation.

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9. (A) P-3, Q-2, R-1, S-4
Reverse Repo Rate allows central banks to absorb surplus liquidity from commercial lenders. Marginal Standing Facility serves as an emergency overnight credit window for scheduled banks. Open Market Operations involve purchasing or selling sovereign securities to regulate money supply. Moral Suasion represents qualitative persuasion by monetary authorities urging financial institutions to align with broader policy guidelines.

10. (A) Demand-pull inflation due to an excessive increase in the money supply.
Deficit financing occurs when government spending exceeds revenue, funded through borrowing or monetary creation. When funded by central bank money creation, it expands systemic money supply without an immediate corresponding increase in goods and services. This excess liquidity fuels aggregate demand, leading directly to demand-pull inflation and eroding purchasing power across the macroeconomy.

11. (B) A substantial increase in government capital expenditure on new infrastructure.
Cost-push inflation stems from decreased aggregate supply driven by rising production input costs, such as surging crude oil prices, raw material shortages from crop failures, or increased statutory minimum wages. Increased government capital expenditure raises aggregate demand in the economy rather than reducing supply, making it a potential driver of demand-pull inflation instead.

12. (B) 2, 3, 1
Under a normal monetary policy corridor, policy rates follow a structured hierarchy based on liquidity conditions. The Reverse Repo Rate forms the lower floor as the rate for absorbing surplus funds. The Repo Rate serves as the central benchmark rate, while the Marginal Standing Facility rate acts as the upper ceiling for emergency overnight borrowings.

13. (A) The MSF rate is typically higher than the Repo rate.
The Marginal Standing Facility allows commercial banks to access emergency overnight liquidity beyond standard limits. Because it functions as a penal rate for unexpected liquidity shortages, the facility rate is set at a fixed spread above the benchmark Repo rate, establishing the upper ceiling of the central bank's liquidity corridor under normal market conditions.

14. (A) I and III only
Fiscal policy is formulated and implemented by executive government authorities through public taxation, expenditure, and national debt management. Conversely, monetary policy is controlled by the central bank utilizing liquidity instruments like the Cash Reserve Ratio and policy interest rates to regulate money supply, credit availability, and price stability within the national economic system.

15. (D) Buying government securities from commercial banks.
Open Market Operations involve central bank transactions in sovereign debt instruments. To inject liquidity into the economy during slowdowns, the central bank purchases government securities from commercial banks. This transaction transfers cash reserves directly to commercial lenders, expanding their credit creation capacity, lowering lending rates, and stimulating overall national economic activity.

16. (C) When there is high demand-pull inflation due to excess aggregate demand.
Contractionary fiscal policy involves raising tax rates and reducing government expenditure to curb aggregate spending. This approach is deployed during periods of high demand-pull inflation, when excess aggregate demand threatens economic stability. By absorbing purchasing power from the economy, fiscal authorities suppress consumer spending and business investment, stabilizing overall national price levels.

17. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Cash Reserve Ratio specifies the mandatory proportion of net demand and time liabilities that commercial banks must maintain as cash reserves with the central bank. Raising this ratio locks up a larger volume of bank deposits, directly reducing funds available for lending, restricting credit creation, and tightening overall systemic liquidity across the economy.

18. (D) A massive increase in consumer spending fueled by lower direct taxes.
Demand-pull inflation arises when aggregate demand for goods and services outpaces

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aggregate economic supply. Lowering direct taxes increases consumer disposable income, fueling household consumption and overall spending. When increased demand exceeds productive capacity, prices rise across markets, whereas supply disruptions and higher production costs trigger cost-push inflation rather than demand-pull inflation.

19. (A) Construction of a new national highway network.
Capital expenditure refers to government spending that creates durable physical or financial assets or reduces long-term financial liabilities. Building infrastructure like national highway networks generates long-term productive capacity for the national economy. In contrast, routine operational costs such as employee salaries, pensions, interest obligations, and building maintenance constitute non-asset creating revenue expenditure.

20. (B) I and III only
The Monetary Policy Committee comprises six members, including three central bank officials and three external experts nominated by the government. Its primary objective is fixing benchmark policy rates to maintain targeted inflation. The Governor of the central bank serves as the ex-officio Chairperson, whereas the Union Finance Minister holds no position on the committee.

21. (A) It incentivizes commercial banks to park surplus funds with the RBI.
An increase in the Reverse Repo Rate raises the interest earned by commercial banks when depositing surplus funds with the central bank. This higher risk-free return encourages banks to park excess liquidity safely at the central bank rather than extending loans to private borrowers, effectively absorbing excess systemic liquidity and contracting market credit expansion.

22. (A) P-2, Q-3, R-4, S-1
Stagnant growth requires expansionary fiscal stimulus to boost aggregate demand. Overheating economies require contractionary fiscal tightening through tax increases. Supply shocks causing elevated input costs benefit from supply-side measures such as tax reliefs on raw materials. Inadequate banking credit expansion is countered through expansionary monetary policy, including benchmark rate cuts to encourage lending.

23. (B) Heavy government borrowing raises interest rates while the RBI attempts to keep policy rates low.
Macroeconomic policy conflict occurs when fiscal actions directly oppose monetary policy objectives. When governments borrow heavily to finance deficits, sovereign bond yields and market interest rates increase due to higher credit demand. This market pressure contradicts central bank efforts to maintain low interest rates and easy monetary conditions, creating severe policy coordination challenges.

24. (C) The RBI imposing penalties or denying credit facilities to non-compliant banks.
Direct Action is a qualitative monetary policy instrument utilized by central banks to enforce regulatory compliance among commercial institutions. When banks fail to follow policy guidelines, credit allocations, or interest directives, the central bank may impose direct administrative sanctions, penal rates, or restrict access to liquidity facilities, enforcing compliance through direct institutional discipline.

25. (B) RBI cuts Repo Rate → Lower lending rates by banks → Increased investment and consumption → Higher GDP growth.
Monetary transmission begins when the central bank lowers its benchmark repo rate. Commercial banks respond by reducing their lending rates for retail and corporate borrowers. Lower borrowing costs stimulate private capital investment and household consumption spending, leading to increased aggregate demand, expanded domestic output, and higher overall economic growth across the national economy.

26. (A) It creates excess demand when financed by debt that expands money supply.
A high fiscal deficit indicates substantial government borrowing to fund public spending exceeding revenues. When this spending is monetized or funded through excessive credit expansion, it increases systemic money supply and injects demand into the economy. If aggregate demand grows faster than productive output capacity, it generates persistent upward pressure on general price levels.

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27. (B) I and III only
Quantitative instruments of monetary policy impact the total volume of money supply and credit across the entire banking system without sector discrimination. Tools like Open Market Operations and Statutory Liquidity Ratio regulate overall liquidity levels directly, whereas Margin Requirements and Moral Suasion represent qualitative tools designed to direct credit to specific sectors.

28. (B) Unencumbered government securities
Statutory Liquidity Ratio mandates commercial banks to maintain a specified portion of their Net Demand and Time Liabilities in high-quality liquid assets before extending credit. Eligible assets strictly include cash reserves, gold, and unencumbered sovereign government securities, ensuring bank solvency, financial stability, and continuous structural demand for government debt instruments in money markets.

29. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Following economic recovery from pandemic shocks, central banks transition from accommodative stances to withdrawal of accommodation. This policy shift involves gradually reducing excess systemic liquidity and raising interest rates to anchor inflation expectations, preventing overheating and ensuring long-term price stability as domestic consumer and business demand normalizes across markets.

30. (C) The gap between collateral market value and the maximum loan amount granted.
In monetary policy, the margin requirement represents the difference between the market value of pledged collateral security and the maximum loan amount sanctionable by commercial banks. By raising or lowering this requirement, central banks control credit volume extended to specific sectors, curbing speculative activities without altering broad systemic monetary interest rates.

31. (D) An increase in direct tax rates for middle-income households.
Expansionary fiscal policy aims to boost economic activity by raising aggregate demand through increased public expenditure, corporate tax cuts, or social welfare transfers. Raising direct tax rates on households reduces disposable income and dampens private consumption expenditure, making it an instrument of contractionary fiscal policy rather than an expansionary measure.

32. (C) It creates productive assets that expand future national economic capacity.
Capital expenditure funds the creation of long-term physical assets such as roads, railways, power grids, and social infrastructure. These investments increase economic efficiency, lower logistics costs, and enhance future productive capacity. Unlike consumption-oriented revenue expenditure, capital spending yields persistent economic multiplier effects that support sustainable long-term economic expansion and wealth creation.

33. (C) I and III only
Cost-push inflation occurs when production input costs rise, shifting aggregate supply inward. Factors such as wage growth exceeding productivity gains and supply-chain bottlenecks causing raw material shortages increase business operating expenses. Conversely, reducing indirect taxes lowers retail prices, providing relief from inflationary pressures rather than contributing to cost-push price increases.

34. (A) P-3, Q-4, R-2, S-1
Controlling demand-pull inflation requires raising Cash Reserve Ratios to drain systemic excess liquidity. Stimulating recessionary economies utilizes expansionary deficit financing and tax relief. Meeting individual bank emergency liquidity demands relies on Marginal Standing Facility access. Achieving redistributive social justice is accomplished through progressive income taxation structures that reduce wealth inequality.

35. (B) 2016
In 2016, amendments to the Reserve Bank of India Act, 1934 formally instituted a statutory flexible inflation targeting framework in India. This legislative overhaul established the six-member Monetary Policy Committee, assigning it explicit statutory responsibility for setting policy interest rates to maintain consumer price inflation within predefined structural tolerance levels.

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36. (C) LAF requires pledging securities above SLR quota, while MSF allows dipping into the SLR quota up to a specified limit.
Under the Liquidity Adjustment Facility, commercial banks borrow short-term funds by pledging approved government securities maintained above their mandatory Statutory Liquidity Ratio quota. Conversely, the Marginal Standing Facility serves as an emergency overnight window allowing banks to dip into their required SLR quota up to a specified statutory limit during severe liquidity crunches.

37. (A) Reducing government revenue expenditure.
Reducing government revenue expenditure is a fiscal policy measure implemented directly by executive government authorities. In contrast, altering repo rates, conducting open market operations, and raising cash reserve ratios represent monetary policy instruments executed independently by the central bank to manage systemic liquidity, regulate credit creation, and maintain broader domestic price stability.

38. (C) 2, 1, 3
When average inflation breaches target tolerance limits for three consecutive quarters, statutory protocol requires the central bank to draft a formal failure report. This document details underlying causes, proposes necessary remedial policy actions, and outlines an estimated timeline for target recovery before official submission to the Central Government for review.

39. (B) It raises interest rates, dampening consumption and investment, which slows GDP growth.
Monetary tightening involves central bank actions such as hiking policy interest rates and absorbing excess liquidity. Higher interest rates elevate commercial borrowing costs for businesses and consumers, dampening private investment and spending. Consequently, aggregate macroeconomic demand moderates, curbing inflation while temporarily dampening overall economic growth and real gross domestic output.

40. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Large fiscal deficits require extensive sovereign borrowing, increasing bond supply in capital markets and driving up market bond yields. Higher yields raise economy-wide borrowing costs and create potential inflationary pressures. Consequently, central banks face restricted leeway to lower interest rates during economic slowdowns, as monetary easing could exacerbate inflation risks.

41. (D) Reducing expenditure on public subsidies.
Contractionary fiscal policy aims to reduce aggregate demand and cool economic activity through tax hikes or expenditure reductions. Decreasing spending on public subsidies directly lowers government outlay, reducing money flow into the private economy. Measures like tax holidays, tariff cuts, or directed priority lending represent expansionary interventions designed to stimulate economic growth.

42. (B) III only
The Monetary Policy Committee holds bi-monthly meetings to review macroeconomic indicators and issue interest rate decisions that guide financial markets. Decisions are determined by a majority vote among six members, with the central bank Governor casting a deciding vote in ties. Unanimous consent is not statutorily required for binding policy approval.

43. (B) It will buy government securities from the open market.
To counter liquidity crunches and spur economic expansion, central banks purchase sovereign government securities from commercial financial institutions via Open Market Operations. This transaction injects immediate primary cash reserves into the commercial banking network, improving system liquidity, reducing short-term market borrowing rates, and supporting increased commercial lending to productive sectors.

44. (B) They increase tax liabilities during booms to cool demand without requiring new legislation.
Progressive income tax systems function as automatic fiscal stabilizers because tax receipts adjust automatically with economic cycles without new legislative action. During economic expansions, rising individual earnings shift taxpayers into higher tax brackets, increasing tax revenues and dampening excess demand. Conversely, during economic downturns, declining incomes lower tax burdens, supporting private spending.

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45. (A) P-1, Q-3, R-2, S-4
Fiscal Deficit measures total government expenditure exceeding receipts excluding external borrowings. Revenue Deficit highlights operational spending exceeding revenue income. Primary Deficit reflects the fiscal deficit minus mandatory interest payments on historical public debt. Monetized Deficit captures the specific portion of fiscal deficit financed directly through central bank money creation and credit issuance.

46. (C) To maintain price stability while supporting economic growth.
Under the amended central bank statutory framework, the primary objective of monetary policy is maintaining general price stability while explicitly supporting national economic growth. By anchoring inflation within prescribed target boundaries, the monetary authority fosters macroeconomic stability, protects purchasing power, and creates a predictable financial environment conducive to long-term economic development.

47. (D) Banks sell government securities to the RBI, agreeing to repurchase them later at a set price.
A Repurchase Agreement is a structured short-term transaction where commercial banks sell sovereign government securities to the central bank to secure liquidity, simultaneously committing to repurchase those securities at a specified future date and predetermined rate. The difference between purchase and repurchase prices represents the effective repo interest rate charged.

48. (D) I, II, and III
The Marginal Standing Facility provides scheduled commercial banks with a dedicated overnight borrowing window during severe liquidity shortages. Operating as a safety valve against market shocks, it permits banks to pledge sovereign securities from within their mandatory Statutory Liquidity Ratio quota up to allowable limits, ensuring continuous financial sector stability and settlement integrity.

49. (B) To promote equity by taxing individuals based on their ability to pay.
Progressive tax structures align tax obligations with economic capacity by imposing higher marginal tax rates on wealthier citizens. By adhering to the ability-to-pay principle, governments generate necessary revenue while mitigating income inequality, funding public infrastructure, and providing social welfare safety nets that uplift economically vulnerable segments of the population.

50. (B) Government increases spending/cuts taxes → Increased aggregate demand → Higher production and employment → Economic recovery.
During economic downturns, expansionary fiscal interventions initiate economic recovery through increased government spending or tax reductions. These actions directly boost household disposable income and overall aggregate demand. In response to expanding consumer demand, commercial enterprises scale up industrial output and hiring, leading to broader macroeconomic employment gains and sustained economic recovery.

51. (A) The Ministry of Finance and the Reserve Bank of India.
In India, fiscal policy is formulated and executed by executive government authorities, primarily through the Ministry of Finance via national budget decisions, taxation structures, and public expenditure plans. Meanwhile, monetary policy is managed independently by the Reserve Bank of India, utilizing policy interest rates and liquidity instruments to regulate credit expansion.

52. (C) I, II, and IV only
The Liquidity Adjustment Facility was introduced following financial sector reform recommendations to manage short-term liquidity within the banking system. Operating through repo and reverse repo auctions, it helps commercial banks resolve daily cash flow imbalances. It is designed for short-term liquidity management rather than multi-year structural capital injection into the national economy.

53. (A) A series of Repo Rate hikes to tighten monetary conditions.
Persistent inflation exceeding the statutory upper tolerance threshold indicates economic overheating and requires monetary tightening. The central bank responds by increasing the benchmark Repo Rate, raising commercial borrowing costs across financial markets. This policy action tempers consumer credit expansion, slows aggregate expenditure, and anchors inflationary expectations to restore broader price stability.

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54. (D) Increased government borrowing raises interest rates, reducing private investment.
The crowding out effect occurs when extensive government borrowing to fund budget deficits absorbs available financial capital in credit markets. Increased demand for sovereign funds drives up market bond yields and commercial interest rates. Elevated borrowing costs make private sector corporate borrowing more expensive, dampening corporate capital expenditure and overall private market investment.

55. (B) Supply-side policies to improve productivity and ease bottlenecks.
Cost-push inflation originates from supply constraints, rising production input costs, and structural inefficiencies. Standard demand-suppression monetary policies can aggravate output losses and economic stagnation. Effective remedies focus on supply-side interventions, such as reducing logistics bottlenecks, lowering import tariffs on raw materials, and improving industrial productivity to expand aggregate supply and stabilize price levels.

56. (C) A sharp reduction in indirect taxes leading to lower retail prices for goods.
Demand-pull inflation stems from factors that boost aggregate purchasing power and overall demand, including export booms, expanded broad money supply, and rapid credit expansion. Conversely, reducing indirect taxes lowers statutory product costs and retail prices, mitigating inflationary pressures rather than stimulating demand-pull inflation across consumer markets.

57. (D) Issuing informal advice to banks to align lending with RBI guidelines.
Moral Suasion is a qualitative monetary policy instrument involving persuasive communication, informal advice, and statutory directives issued by the central bank to commercial lending institutions. Rather than relying on formal legislative penalties or interest rate adjustments, monetary authorities request banks to align their credit allocation practices with broader national economic priorities.

58. (A) Interest rates will rise, while the impact on demand depends on policy strength.
Combining expansionary fiscal spending with monetary tightening exerts upward pressure on interest rates, as government borrowing increases credit demand while central bank tightening restricts money supply. The net impact on aggregate demand remains ambiguous, depending on whether fiscal demand stimulation outweighs the dampening effect of elevated borrowing costs across commercial markets.

59. (B) 25 basis points
In a normalized monetary policy corridor, the Marginal Standing Facility rate serves as the upper ceiling for short-term liquidity management. The central bank establishes this emergency overnight borrowing rate at a fixed spread of 25 basis points above the policy Repo Rate, providing financial institutions liquidity protection against unexpected balance sheet shocks.

60. (B) Decreasing the Cash Reserve Ratio for commercial banks.
Deficit financing involves methods used by governments to fund expenditures exceeding revenues, such as issuing sovereign debt, borrowing from multilateral institutions, or securing central bank deficit monetization. Lowering the Cash Reserve Ratio is a monetary policy action executed by the central bank to release banking liquidity, not a fiscal deficit financing mechanism.

61. (A) Revenue Expenditure — Grants given to State Governments.
Revenue expenditure covers government outlays that do not create physical or financial assets nor reduce national liabilities. Grants provided to state governments qualify as revenue expenditure because they represent transfers without asset creation for the central government. Infrastructure projects create physical assets under capital spending, whereas salaries and interest outlays constitute revenue expenditure.

62. (C) Banks will prefer parking excess funds with the RBI over lending to the public.
Increasing the Reverse Repo Rate enhances the risk-free return commercial banks receive when depositing surplus funds with the central bank. As this rate rises relative to market risk-adjusted lending yields, banks choose to park surplus reserves safely with the monetary authority, absorbing systemic liquidity and dampening commercial credit expansion across retail markets.

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63. (C) Every five years
Under the statutory flexible inflation targeting framework in India, the official inflation target is determined by the Central Government in consultation with the central bank once every five years. This periodic review establishes the headline Consumer Price Index target and corresponding tolerance bands to guide medium-term macroeconomic policy and market expectations.

64. (C) Commercial banks and primary dealers.
Open Market Operations involve central bank purchases and sales of sovereign securities to manage systemic liquidity. These financial operations are conducted primarily with institutional market counterparties, specifically commercial banks and registered primary dealers. These entities interact directly with the central bank's trading desk, distributing liquidity throughout the broader financial system.

65. (B) Reducing government spending and increasing taxation.
To mitigate persistent inflationary pressures through fiscal policy, governments implement contractionary measures designed to cool aggregate demand. Reducing public expenditure directly decreases cash injections into the economy, while increasing direct or indirect tax rates lowers household disposable income and corporate spending, moderating demand-side price pressures across national markets.

66. (D) Corporate investment slows as financing costs rise, dampening employment.
Sustained policy rate hikes elevate borrowing costs throughout the commercial banking system. Higher interest rates increase capital expenditures for corporate expansion, prompting firms to delay investment plans. As private capital investment moderates, commercial business expansion slows, dampening labor demand and leading to reduced employment generation across key economic sectors.

67. (A) Repurchase Agreement
The term Repo is an acronym for Repurchase Agreement, representing a foundational short-term liquidity management instrument in central banking. In a repo transaction, financial institutions sell sovereign government securities to the central bank with an explicit contractual commitment to repurchase them at a specified future date and predetermined interest rate.

68. (C) It will raise the margin requirement, requiring traders to use more own funds.
To curb speculative trading and hoarding in essential commodities, central banks increase qualitative margin requirements for commercial loans secured by those goods. Elevating the margin requirement forces traders to commit a higher proportion of their own capital, restricting credit availability for speculative accumulation and mitigating cost pressures in physical markets.

69. (A) Monetizing a high fiscal deficit by issuing new money directly expands the money supply.
When governments finance large fiscal deficits by borrowing directly from the central bank or through monetary creation, primary liquidity expands. This process, known as deficit monetization, increases bank reserve balances and broad monetary aggregates. If money supply growth outpaces real GDP expansion, excessive liquidity generates persistent upward pressure on domestic price levels.

70. (D) The central bank expands money supply and cuts interest rates to boost growth.
An accommodative monetary policy stance indicates central bank willingness to foster economic expansion by maintaining low interest rates and ensuring abundant liquidity in the banking sector. Under this orientation, policy rate cuts reduce borrowing costs for consumers and businesses, encouraging private spending and corporate capital investment during periods of sluggish economic output.

71. (B) Progressive taxation generally widens the income inequality gap in a developing economy.
Progressive taxation applies higher tax rates as taxable income rises, collecting a greater share of revenue from upper-income groups. By distributing tax burdens according to economic capacity, progressive structures generate funds for public social expenditure and help reduce wealth disparities. Consequently, progressive tax systems narrow rather than widen income inequality within developing economies.

72. (C) It injects demand, creating a multiplier effect on output and employment.
Keynesian economic theory advocates increased public expenditure during downturns to

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compensate for weak private consumption and investment. Direct government spending injects purchasing power into the economy, initiating a Keynesian multiplier process. Initial outlays generate secondary consumer spending and business activity, expanding aggregate demand, national output, and overall employment opportunities.

73. (D) The government deploys deficit-funded fiscal stimulus while the RBI raises rates to fight inflation.
Policy coordination failure occurs when fiscal expansion and monetary tightening work in opposing macroeconomic directions. If the government executes deficit-financed fiscal stimulus during inflation, it expands aggregate demand. Simultaneously raising central bank policy rates to curb inflation elevates market borrowing costs, neutralizing the impact of fiscal measures and generating economic policy instability.

74. (A) Corporate bonds of private manufacturing firms.
Statutory Liquidity Ratio rules require commercial banks to hold a specified proportion of net liabilities in approved liquid assets before extending general credit. Permissible reserves include cash in hand, gold holdings, and unencumbered central or state government securities. Private corporate bonds carry credit risk and are excluded from statutory liquidity maintenance.

75. (B) Four times
Under the provisions of the Reserve Bank of India Act, 1934 governing the flexible inflation targeting framework, the Monetary Policy Committee is legally mandated to meet at least four times in a financial year. In practice, the committee convenes bi-monthly to assess macroeconomic conditions, review inflation forecasts, and adjust benchmark interest rates.

76. (B) Bank reserves decrease, and the money supply contracts.
When the central bank sells government securities in the open market, purchasing financial institutions pay using cash reserves held with the monetary authority. This transaction directly drains commercial bank reserves, lowering systemic liquidity, restricting bank lending capacity, and contracting total broad money supply across the national economic system while dampening inflationary pressures.

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77. (A) Cost-push inflation (Stagflation)
Stagflation describes an economic condition characterized by rising general price levels occurring alongside stagnant economic growth, declining industrial production, and elevated unemployment rates. Often triggered by adverse cost-push supply shocks such as surging energy prices, stagflation reduces overall economy-wide output while simultaneously eroding real household purchasing power and living standards across the national economy.

78. (C) Marginal Standing Facility (MSF) Rate and Standing Deposit Facility (SDF) Rate
The central bank manages short-term interest rates using a corridor structure anchored by policy rates. Under the liquidity framework, the Marginal Standing Facility rate serves as the ceiling for emergency overnight borrowing, while the Standing Deposit Facility rate acts as the floor for uncollateralized surplus deposits, steering the weighted average call money rate within target boundaries.

79. (D) It creates physical or financial assets or reduces financial liabilities.
Capital expenditure encompasses government financial outlays that yield long-term economic benefits by creating productive assets or reducing financial debt liabilities. Public investments in transport infrastructure, industrial facilities, power grids, or principal loan repayments enhance national economic efficiency and productive capacity, distinguishing capital expenditure from recurring administrative revenue outlays that cover daily operational expenses.

80. (C) Coordinated counter-cyclical fiscal and monetary policies aligned toward shared economic goals.
Achieving sustainable, non-inflationary growth requires structural policy alignment between fiscal and monetary authorities. Coordinated counter-cyclical policies ensure that public fiscal expenditure stimulus and monetary liquidity adjustments operate harmoniously during economic fluctuations. Aligned policies prevent conflicting economic pressures, stabilize systemic credit conditions, anchor inflation expectations, and promote balanced long-term macroeconomic expansion across the national economy.

CHAPTER 06

Subsidy, Public Distribution System (PDS) and E Commerce

1. The fundamental rationale behind providing government subsidies on essential goods is most accurately described by which of the following economic principles?
(A) Maximizing the profit margins of private sector distributors to ensure market competitiveness
(B) Correcting market failures by lowering the price of merit goods to ensure affordability for vulnerable populations
(C) Imposing trade barriers on imported essential commodities to foster self-reliance
(D) Eradicating private ownership in the agricultural and energy sectors

2. Under the National Food Security Act (NFSA) 2013, what percentage of the rural and urban population is legally entitled to receive subsidized foodgrains?
(A) 50 percent of the rural population and 75 percent of the urban population
(B) 100 percent of the rural population and 33 percent of the urban population
(C) 67 percent of the rural population and 67 percent of the urban population
(D) 75 percent of the rural population and 50 percent of the urban population

3. In the framework of the Public Distribution System (PDS) in India, which of the following is strictly a responsibility of the State Governments rather than the Central Government?
(A) Identification of eligible beneficiaries and issuance of ration cards
(B) Procurement of foodgrains from farmers at Minimum Support Prices
(C) Storage and maintenance of operational buffer stocks in central godowns
(D) Allocation of foodgrains to various states based on poverty estimates

4. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The One Nation One Ration Card (ONORC) scheme significantly empowers migrant labourers in India.
Reason (R): It enables beneficiaries to claim their foodgrain entitlement from any Fair Price Shop across the country using the same ration card.
Select the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

5. How does the Direct Benefit Transfer (DBT) mechanism primarily aim to reform the delivery of government subsidies?
(A) By transferring subsidy funds directly into beneficiaries' Aadhaar-linked bank accounts
(B) By replacing digital verification with physical door-to-door audits by local village council members
(C) By increasing physical allocation and storage capacity of essential goods within regional state warehouses
(D) By eliminating welfare subsidies completely and relying strictly on competitive free market mechanisms

6. In the context of targeted public distribution programs, which of the following best defines an "exclusion error"?
(A) Providing subsidized foodgrains to households that earn above the poverty line
(B) Diverting foodgrains from Fair Price Shops to the open market for illegal profit
(C) The issuance of ration cards to non-existent or deceased individuals
(D) Denying eligible poor households their legitimate access to subsidized benefits

7. The Pradhan Mantri Ujjwala Yojana is fundamentally associated with the rationalization

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and targeted delivery of which of the following subsidies?
(A) Fertilizer subsidy
(B) Petroleum/LPG fuel subsidy
(C) Foodgrain subsidy
(D) Agricultural credit subsidy

8. Consider the following statements regarding the Nutrient Based Subsidy (NBS) scheme:
I. It applies primarily to Phosphatic and Potassic (P&K) fertilizers rather than Urea.
II. It links the subsidy amount to the specific nutrient content present in the fertilizer.
III. Its primary objective is to encourage unbalanced use of fertilizers to maximize immediate crop yield regardless of soil health.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

9. In the context of India's e-commerce structure, what is the fundamental difference between the marketplace model and the inventory-based model?
(A) In the marketplace model, the platform owns all listed goods, whereas in the inventory model, it merely connects buyers and sellers in the online ecosystem.
(B) The marketplace model is strictly reserved for B2B transactions, whereas the inventory-based model is strictly reserved for B2C consumer sales.
(C) The marketplace model is entirely exempt from GST regulations, whereas the inventory-based model is strictly subject to mandatory TCS provisions.
(D) In the inventory model, the entity owns the goods sold, while the marketplace model provides an IT platform for buyers and sellers.

10. According to the prevailing Foreign Direct Investment (FDI) policy in India regarding the e-commerce sector, which of the following statements is accurate?
(A) 100 percent FDI under the automatic route is permitted in the inventory-based model.
(B) FDI is completely banned in both the marketplace and inventory-based models.
(C) 100 percent FDI under the automatic route is permitted in the marketplace model of e-commerce.
(D) FDI in the marketplace model is restricted to a maximum of 49 percent under the government approval route.

11. Which of the following is widely recognized as a major logistical challenge for e-commerce growth in tier-2 and tier-3 cities in India?
(A) Over-saturation of high-speed internet networks leading to data bottlenecks
(B) The lack of robust last-mile delivery infrastructure and standardized postal mapping
(C) The complete absence of consumer demand for e-commerce products outside metropolitan areas
(D) Strict government bans on e-commerce deliveries in semi-urban regions

12. Consider the following statements regarding the Consumer Protection (E-commerce) Rules, 2020:
I. They mandate e-commerce platforms to establish an adequate grievance redressal mechanism.
II. They prohibit e-commerce entities from manipulating the price of goods to gain unreasonable profit.
III. They apply only to domestic e-commerce entities and exempt foreign entities operating in India.
IV. Sellers are required to display the country of origin of the products they list.
Which of the statements given above are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

13. Under the GST implications for e-commerce, what does the provision of TCS stand for?
(A) Tax Collected at Source
(B) Transaction Cost Surcharge
(C) Tariff Computed Systematically
(D) Trade Commerce Subsidy

14. What is the primary objective of the Open Network for Digital Commerce (ONDC)?
(A) To establish a complete operational monopoly of government-owned digital platforms over the national e-commerce market
(B) To strictly regulate online product pricing and mandate uniform retail costs across all private e-commerce portals

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(C) To democratize digital commerce by shifting from platform-centric to open-network models
(D) To prohibit the active participation of Micro, Small, and Medium Enterprises (MSMEs) in digital retail ecosystems

15. Which organization serves as the umbrella entity for operating the real-time payment system known as the Unified Payments Interface (UPI)?
(A) Reserve Bank of India (RBI)
(B) Securities and Exchange Board of India (SEBI)
(C) Telecom Regulatory Authority of India (TRAI)
(D) National Payments Corporation of India (NPCI)

16. Match the types of subsidies and mechanisms in List I with their corresponding descriptions in List II:
List I: (Subsidies and Mechanisms)
P. Food Subsidy
Q. Fertilizer Subsidy
R. Direct Benefit Transfer
S. Kerosene Subsidy
List II: (Descriptions)
1. Associated with a historical phase-out strategy due to alternative fuel availability
2. Cash transfer directly into the beneficiary's Aadhaar-linked bank account
3. Managed under the Nutrient Based Subsidy scheme
4. Financed to support the Public Distribution System under the NFSA

Select the correct answer using the codes given below:
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-2, R-3, S-1
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-3, R-4, S-1

17. The gradual historical phase-out of the kerosene subsidy by the Government of India was primarily driven by which policy transition?
(A) The nationwide policy shift towards promoting solar-powered vehicles and clean energy infrastructure in rural areas
(B) The rollout of Ujjwala Yojana promoting LPG as a clean cooking fuel
(C) The unexpected discovery of massive domestic crude reserves that rendered kerosene subsidies completely redundant
(D) The administrative decision to mandate that all kerosene imports be handled strictly through private corporate entities

18. In the context of PDS leakages, what does the term "ghost beneficiary" refer to?
(A) A legitimate household that consistently refuses to collect its monthly allocated ration due to perceived poor quality of grain
(B) An eligible poor beneficiary who is repeatedly denied access to essential foodgrains solely due to biometric scanner failures
(C) A registered middle-income family that voluntarily chooses to opt out of the public distribution system to reduce fiscal burden
(D) A fake identity used to draw and divert subsidized foodgrains

19. One of the primary objectives of the Public Distribution System (PDS) is price stabilization. How does the PDS achieve this for vulnerable populations?
(A) By distributing essential commodities at low uniform Central Issue Prices
(B) By purchasing foodgrains at retail market prices and destroying surplus stock to artificially curb consumer inflation
(C) By strictly fixing and enforcing mandatory maximum retail prices (MRP) across all private independent grocery outlets
(D) By issuing redeemable cash vouchers that are valid exclusively at high-end luxury supermarket chains in urban centers

20. Which of the following represents the correct logical sequence of the Public Distribution System (PDS) supply chain in India?
(A) Storage by FCI → Procurement from Farmers → Distribution via FPS → Allocation to States
(B) Allocation to States → Procurement from Farmers → Storage by FCI → Distribution via FPS
(C) Procurement from Farmers → Storage by FCI → Allocation to States → Distribution via FPS
(D) Procurement from Farmers → Distribution via FPS → Storage by FCI → Allocation to States

21. The "subsidy rationalization debate" in the Indian economy primarily revolves around balancing which two conflicting factors?
(A) Fiscal exchequer burden versus vulnerable population welfare

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(B) Aggressive export promotion strategies versus comprehensive domestic import substitution policies
(C) Rapid industrial factory automation versus traditional agricultural reliance on manual labor
(D) Decentralized state government autonomy versus foreign direct investment regulatory control

22. While Aadhaar-linked targeting in subsidies has successfully reduced leakages, it has also raised serious concerns regarding which of the following?
(A) Inclusion errors where billionaires receive free foodgrains
(B) The complete collapse of the rural banking infrastructure
(C) Over-consumption of chemical fertilizers by small and marginal farmers
(D) Exclusion errors resulting from biometric authentication failures or lack of linkage

23. Which of the following is NOT a reform measure commonly implemented to modernize Fair Price Shops (FPS) in India?
(A) Mandatory installation and deployment of electronic Point of Sale (ePoS) devices across all retail outlets
(B) Permitting FPS dealers to export subsidized grains freely
(C) Implementation of mandatory biometric fingerprint and iris authentication of beneficiaries at distribution points
(D) End-to-end computerization and digital tracking of the entire supply chain management system

24. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The Indian government does not permit 100% Foreign Direct Investment (FDI) in the inventory-based model of e-commerce.
Reason (R): The policy aims to protect domestic offline retailers and MSMEs from predatory pricing by large multinational entities holding their own inventory.
Select the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

25. What is recognized as a major disruptive impact of the rapid growth of e-commerce on traditional retail trade (kirana stores) in India?
(A) A sudden increase in footfall at physical retail outlets due to online advertising
(B) The total eradication of the unorganized retail sector within a year
(C) A government mandate forcing kirana stores to switch exclusively to the inventory-based model
(D) Increased competition regarding pricing, convenience, and home delivery expectations

26. How is the growth of e-commerce intricately linked with the Digital India programme?
(A) By driving digital literacy, connectivity, and online transactions
(B) By actively discouraging consumer reliance on digital payment infrastructure promoted under Digital India initiatives
(C) By focusing exclusively on restricting high-speed internet access to affluent urban elite populations
(D) By legally mandating the total prohibition of e-commerce activities to safeguard traditional offline data centers

27. Under the National Food Security Act (NFSA), 2013, what is the legal entitlement of subsidized foodgrain for an individual classified under the "Priority Households" category?
(A) 35 kg of foodgrains per household per month
(B) 5 kg of foodgrains per person per month
(C) 10 kg of foodgrains per person per month
(D) 15 kg of foodgrains per household per month

28. Consider the following statements regarding the leakages in the Public Distribution System (PDS):
I. Diversion of foodgrains to the open market by Fair Price Shop owners is a common form of leakage.
II. The issuance of bogus ration cards to ineligible entities contributes to PDS leakage.
III. Leakages have been entirely eliminated in India following the introduction of ePoS machines.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only

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(D) I, II, and III

29. Which of the following best describes the opportunity e-commerce provides to Micro, Small and Medium Enterprises (MSMEs) in India?
(A) Expanding market reach beyond geography at low entry costs
(B) By strictly restricting their commercial operations to localized physical neighborhood markets
(C) By completely exempting small enterprises from paying any domestic indirect taxes such as GST
(D) By legally prohibiting registered business entities from adopting digital payment networks like UPI

30. One of the persistent challenges facing the e-commerce sector is the sale of counterfeit goods. Under the Consumer Protection (E-commerce) Rules, 2020, how is this issue structurally addressed?
(A) By granting e-commerce platforms complete immunity from consumer complaints regarding counterfeit products
(B) By requiring the government to compensate consumers who receive counterfeit items
(C) By mandating the appointment of a Grievance Officer and establishing clear seller disclosure norms
(D) By strictly banning all returns and refunds on digital platforms

31. Which of the following is a primary disadvantage of shifting from an in-kind subsidy distribution (like PDS) to a pure cash transfer (like DBT) system?
(A) Cash transfers grant receiving households complete discretionary freedom in choosing their personal consumption items
(B) Cash transfers are far more susceptible to physical logistical degradation and grain storage decay than warehousing
(C) Cash transfers require state authorities to continuously construct and maintain massive centralized buffer stock warehouses
(D) Exposing recipients to price inflation and market volatility

32. Consider the following statements regarding the Open Network for Digital Commerce (ONDC):
I. It is an initiative supported by the Department for Promotion of Industry and Internal Trade (DPIIT).
II. It requires buyers and sellers to use the same proprietary application to conduct a transaction.
III. It aims to reduce the dominance of a few large multinational e-commerce platforms.
IV. It seeks to standardize operations like cataloging, inventory management, and order fulfillment.
Which of the statements given above are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

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33. The excessive use of Urea over other fertilizers in Indian agriculture is primarily a consequence of which subsidy policy issue?
(A) Urea being fully covered under the flexible Nutrient Based Subsidy (NBS) scheme at variable seasonal rates
(B) Excluding Urea from NBS and heavily subsidizing its retail price
(C) Enforcing a total government prohibition on the commercial import of all Phosphatic and Potassic fertilizers
(D) Mandating the exclusive application of Urea as a compulsory prerequisite for accessing Aadhaar-linked farm credit

34. What is the name of the Direct Benefit Transfer (DBT) scheme that facilitated the transfer of LPG subsidies directly into the bank accounts of consumers?
(A) PM Kisan Samman Nidhi Scheme
(B) PM Garib Kalyan Anna Yojana Scheme
(C) National Food Security Mission Scheme
(D) PAHAL (Pratyaksh Hanstantrit Labh)

35. Identify the incorrect pair regarding the division of responsibilities in the Public Distribution System (PDS):
(A) State Government – Setting Minimum Support Prices for crops
(B) Central Government – Nationwide procurement and purchasing of foodgrains from agricultural markets
(C) Central Government – Bulk transportation of procured foodgrains to operational central FCI depots
(D) State Government – Regulatory licensing, administration, and ongoing supervision of local Fair Price Shops

36. Match the e-commerce and digital infrastructure terms in List I with their functional descriptions in List II:

List I: (Terms)

P. Marketplace Model
Q. Inventory Model
R. UPI
S. ONDC

List II: (Functional Descriptions)

1. A real-time payment ecosystem driving digital transaction volumes
2. An open network designed to interoperate various digital commerce platforms
3. E-commerce entity acts only as a facilitator between buyer and seller
4. E-commerce entity owns the goods and sells them directly to consumers

Select the correct answer using the codes given below:

(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-3, Q-1, R-4, S-2

37. Which of the following is NOT an intended objective of the Public Distribution System (PDS) in India?

(A) Promoting private corporate grain storage monopolies
(B) Providing comprehensive food security and nutritional support to economically vulnerable sections of society
(C) Ensuring long-term price stabilization and market regulation of essential agricultural commodities
(D) Distributing heavily subsidized staple foodgrains to verified low-income households across all states

38. The massive growth in the transaction volume of the Unified Payments Interface (UPI) ecosystem is largely attributed to which of its following characteristics?

(A) High transaction processing fees and service surcharges levied continuously on both merchants and consumers
(B) The mandatory legal requirement that users maintain a minimum balance of Rs. 10,000 in their linked account
(C) Strict regulatory restrictions that limit its operational utility exclusively to cross-border remittances
(D) Real-time, 24x7 interoperable free transfers on mobile devices

39. Under the Consumer Protection (E-commerce) Rules, 2020, e-commerce entities are mandated to display "disclosure norms". Which of the following best describes this requirement?

(A) Openly sharing and monetizing all user browsing histories and personal preferences with third-party digital advertisers
(B) Providing clear details on sellers, refunds, and product origins
(C) Disclosing the full proprietary underlying source code and algorithmic architecture of the e-commerce platform to regulators
(D) Annually publishing the complete tax returns and financial filings of every consumer registered on the platform

40. Arrange the following steps of an Aadhaar-enabled Public Distribution System (AePDS) transaction at a Fair Price Shop in the correct chronological order:

I. Handing over of physical ration to the beneficiary
II. Entering the ration card or Aadhaar number into the ePoS device
III. Authentication of biometric details at the PoS machine
IV. Verification of the beneficiary's entitlement data fetched from the central server

Select the correct sequence from the options below:

(A) II, IV, III, I
(B) III, II, IV, I
(C) IV, II, I, III
(D) II, III, IV, I

41. In the context of economic subsidies, "market failure" primarily occurs when:

(A) Major stock exchange indices experience sharp and persistent drops throughout a given financial quarter
(B) Private corporate enterprises voluntarily reduce retail prices significantly below their actual cost of production
(C) Consumers collectively refuse to purchase non-essential luxury goods imported from international markets
(D) Inequitable allocation making essential goods unaffordable to the poor

42. Which of the following agricultural inputs is managed under the Nutrient Based Subsidy (NBS) scheme by the Government of India?

(A) Phosphatic and Potassic fertilizers
(B) High Yielding Variety certified agricultural

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seeds
(C) Neem-coated Urea distributed through authorized channels
(D) Heavy agricultural machinery, tractors, and farm implements

43. What is the fundamental technological enabler that allows the One Nation One Ration Card (ONORC) scheme to function across different state borders?
(A) Issuing specialized interstate migration visas and travel permits exclusively for registered migrant workers
(B) Ration card Aadhaar-linkage and ePoS deployment at shops
(C) Physically transporting each beneficiary's home-state grain quota directly to their new destination state
(D) Free nationwide distribution of high-end internet smartphones to every single registered ration card holder

44. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): Subsidy rationalization is necessary to maintain long-term macroeconomic stability.
Reason (R): Uncontrolled subsidies create a massive fiscal burden on the government, widening the fiscal deficit and reducing capital expenditure.
Select the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

45. Which of the following is a key restriction placed on foreign direct investment (FDI) in the e-commerce marketplace model in India?
(A) Platform entities cannot own or control the inventory sold
(B) Marketplace entities are strictly prohibited from offering integrated digital payment gateways to buyers
(C) Marketplace entities must restrict their operational logistics and seller onboarding strictly to tier-1 cities
(D) Marketplace entities are legally barred from onboarding or registering independent MSME vendors

46. Data privacy is cited as a significant challenge in the e-commerce ecosystem. Which of the following scenarios best exemplifies this challenge?
(A) E-commerce platforms transitioning completely to biodegradable and eco-friendly packaging materials for shipments
(B) Severe delays in last-mile parcel delivery arising from inadequate transport connectivity in remote areas
(C) Unauthorized monetization of user browsing and payment data
(D) Independent sellers clearly indicating the country of origin on all their public product catalog listings

47. Under the GST provisions applicable to the e-commerce sector, who is liable to collect the Tax Collected at Source (TCS)?
(A) The end retail consumer who purchases the goods through the digital platform
(B) The individual third-party seller supplying commercial goods on the platform
(C) The third-party logistics and delivery partner transporting the ordered goods
(D) The e-commerce operator facilitating the platform supply

48. Consider the following statements regarding Fair Price Shop (FPS) reforms in India:
I. The introduction of ePoS machines has aimed to eliminate fake ration cards.
II. Computerization has enhanced the tracking of foodgrain movement from FCI depots to FPS.
III. FPS reforms advocate the complete privatization of PDS entitlements to corporate chains.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

49. How has the smartphone and internet penetration boom primarily affected the e-commerce market in India?
(A) It has significantly contracted the total e-commerce market by driving consumers back to physical retail outlets
(B) It expanded market access by connecting rural users to online retail
(C) It has restricted digital shopping activities exclusively to desktop computers located in

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corporate offices
(D) It has legally compelled e-commerce companies to operate under the inventory-based model exclusively

50. What is the legal categorization of households under the National Food Security Act (NFSA) 2013 for the distribution of foodgrains?
(A) Below Poverty Line (BPL) and Above Poverty Line (APL) categories strictly
(B) Middle Income Group (MIG) and High Income Group (HIG)
(C) Land-owning farmers and landless labourers
(D) Priority Households (PHH) and Antyodaya Anna Yojana (AAY) households

51. The introduction of the Direct Benefit Transfer (DBT) system fundamentally shifted the delivery mechanism of multiple welfare schemes from:
(A) In-kind/physical distribution to cash transfers
(B) Cash transfers to in-kind distribution
(C) Central government funding to local panchayat funding
(D) Aadhaar-based targeting to universal untargeted distribution

52. Consider the following statements regarding the linkage between Digital India and E-commerce:
I. E-commerce expansion leverages the digital infrastructure laid out under Digital India, like broadband connectivity.
II. Digital India initiatives like UPI have fundamentally transformed the payment settlements in e-commerce.
III. The growth of e-commerce actively hinders the objectives of the Digital India programme.
IV. Digital literacy campaigns under Digital India empower rural consumers to access e-commerce platforms.
Which of the statements given above are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, III, and IV only

53. An 'inclusion error' in the Public Distribution System (PDS) targeting process directly leads to which of the following outcomes?
(A) Ineligible households receive benefits, inflating fiscal burden
(B) Multiple verified poor and eligible households face severe starvation due to total denial of benefits
(C) The state government successfully saves a substantial proportion of allocated public welfare funds
(D) Local Fair Price Shops are forced to permanently shut down owing to a complete lack of public demand

54. In the context of PDS leakages, "diversion of foodgrains" means:
(A) Registered beneficiaries selling their prepared meals directly to neighboring families for extra cash
(B) The state government reallocating foodgrain stocks from surplus regions to deficit regions via official legal channels
(C) Agricultural farmers shifting their primary cultivation focus from staple food grains to high-value cash crops
(D) Siphoning subsidized grains into open market black sales

55. The Nutrient Based Subsidy (NBS) scheme for fertilizers was introduced to incentivize which of the following practices among farmers?
(A) The excessive and exclusive application of nitrogen-heavy chemical fertilizers such as Urea on agricultural fields
(B) Balanced application of nutrients to preserve soil health
(C) The complete and immediate termination of all synthetic chemical fertilizer usage in crop production
(D) The widespread substitution of conventional fertilizers with heavily subsidized chemical pesticides

56. Match the PDS targeting concepts in List I with their standard definitions in List II:
List I: (Concepts)
P. Inclusion Error
Q. Exclusion Error
R. Ghost Beneficiary
S. Diversion
List II: (Definitions)
1. A fake or duplicate identity used to siphon off rations
2. Rations failing to reach the poor and eligible households
3. Non-eligible, wealthy households successfully securing a ration card
4. Routing subsidized grains to the open black market
Select the correct answer using the codes given

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below:
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-4, S-1
(C) P-3, Q-2, R-1, S-4
(D) P-1, Q-4, R-3, S-2

57. In the mechanism of financing the PDS, what does "Central Issue Price" (CIP) denote?
(A) The official procurement price at which the Food Corporation of India buys staple grains from farmers
(B) The prevailing market retail price of foodgrains established by private commercial retail chains
(C) The transportation and handling costs paid to rail and road transport operators for moving grain stocks
(D) The price Central Government charges States for foodgrain allocation

58. Which of the following is an accurate reflection of the e-commerce market size expansion driver in India over the last decade?
(A) Surge in mobile smartphone ownership and low-cost 4G data
(B) The continuous decline and contraction in rural teledensity and network coverage
(C) The imposition of stringent regulatory restrictions on domestic digital payment applications
(D) Government directives mandating the immediate physical closure of all offline retail establishments

59. Under the Consumer Protection (E-commerce) Rules 2020, how quickly must the grievance officer acknowledge the receipt of any consumer complaint?
(A) Within 24 hours
(B) Within 48 hours
(C) Within 7 days
(D) Within 15 days

60. Which of the following sequences represents the correct standard order fulfillment flow for a consumer in an e-commerce marketplace model?
(A) Checkout & Payment → Product Browsing → Order Dispatch → Seller Confirmation → Delivery
(B) Product Browsing → Checkout & Payment → Seller Confirmation → Order Dispatch → Delivery
(C) Seller Confirmation → Delivery → Product Browsing → Checkout & Payment → Order Dispatch
(D) Product Browsing → Seller Confirmation → Delivery → Checkout & Payment → Order Dispatch

61. Which of the following is NOT an argument generally used in favour of rationalizing (reducing or restructuring) government subsidies?
(A) Rationalization ensures that the private sector completely monopolizes essential goods.
(B) Subsidies often suffer from significant inclusion and exclusion targeting errors.
(C) Heavy subsidies divert fiscal resources away from critical infrastructure and capital expenditure.
(D) Price-distorting subsidies can lead to the over-exploitation of resources, such as groundwater or soil quality.

62. The PAHAL scheme, one of the world's largest cash transfer programs, replaced the physical delivery of subsidized:
(A) Urea fertilizers
(B) Wheat and Rice
(C) Domestic LPG cylinders
(D) Electricity for tube wells

63. Consider the following statements regarding the fuel subsidy and LPG linkage:
I. The Ujjwala Yojana provided deposit-free LPG connections to women of Below Poverty Line (BPL) households.
II. The scheme aimed to address health hazards associated with using traditional cooking fuels.
III. The government permanently fixed the price of an LPG cylinder at Rs. 100 for all citizens under this scheme.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

64. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): Direct Benefit Transfer (DBT) eliminates the role of intermediaries in the subsidy delivery chain.
Reason (R): DBT mechanisms transfer the monetary value of the subsidy directly into the Aadhaar-seeded bank accounts of the intended

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beneficiaries.
Select the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

65. In the debate between the Open Network for Digital Commerce (ONDC) and proprietary platforms (like Amazon or Flipkart), how does ONDC differ structurally?
(A) ONDC dictates a single centralized mandatory government application that all citizens must use for online shopping
(B) An open network enabling cross-app buyer-seller transactions
(C) ONDC exclusively permits foreign multi-national retail corporations to register and sell products on the network
(D) ONDC functions purely as an inventory-based model directly owned, stocked, and operated by the government

66. The National Payments Corporation of India (NPCI), which manages the UPI ecosystem, was established by the Reserve Bank of India (RBI) in association with which entity?
(A) The Ministry of Finance
(B) NITI Aayog
(C) Quality Council of India (QCI)
(D) Indian Banks' Association (IBA)

67. The financial viability of Fair Price Shop (FPS) dealers in the PDS ecosystem has often been a subject of reform. What is the primary source of income for these FPS dealers?
(A) The commission or margin earned on the volume of foodgrains distributed
(B) A fixed monthly salary paid by the Central Government
(C) High convenience fees charged directly to BPL beneficiaries for biometric authentication
(D) Agricultural subsidies transferred to them via the DBT mechanism

68. Consider the following statements regarding the financial mechanics of the food subsidy in India:
I. The food subsidy bill is calculated as the difference between the Economic Cost of foodgrains and the Central Issue Price (CIP).
II. The Economic Cost includes procurement cost, procurement incidentals, and distribution cost.
III. The State Governments bear the entire financial burden of the food subsidy under the NFSA.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

69. Historically, the distribution of subsidized kerosene was a major component of the PDS. What was the primary justification for its phase-out?
(A) Diesel adulteration leakages and expanded LPG availability
(B) Kerosene was found to be highly toxic to public health and was consequently banned globally
(C) The total and irreversible depletion of all domestic crude oil reserves across the country
(D) A binding Supreme Court judgment mandating the complete prohibition of liquid fuels in rural regions

70. Which of the following is NOT a mandatory disclosure for a seller under the Consumer Protection (E-commerce) Rules, 2020?
(A) Total retail price of listed goods including detailed breakdown of all additional charges
(B) Specific country of origin where the offered commercial product was manufactured
(C) Expiry date and shelf-life details of perishable or consumable goods offered for sale
(D) Private address of previous buyers

71. Consider the following statements regarding Subsidy Delivery Mechanisms:
I. Cash transfers provide flexibility to beneficiaries to prioritize their needs.
II. In-kind transfers (like PDS) act as an inflation shield for the poor against rising market prices.
III. DBT mechanisms require robust banking and digital infrastructure to be effective.
IV. In-kind distribution eliminates all logistical and storage costs for the government.
Which of the statements given above is incorrect?
(A) I and II only
(B) IV only

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(C) III and IV only
(D) I, II, and III only

72. Under the National Food Security Act (NFSA), 2013, the Antyodaya Anna Yojana (AAY) households are entitled to how much foodgrain per month?
(A) 5 kg per household
(B) 10 kg per person
(C) 35 kg per household
(D) 50 kg per household

73. Biometric authentication using Aadhaar at Fair Price Shops (FPS) was introduced primarily to mitigate which specific problem?
(A) Severe exclusion errors occurring due to persistent rural internet connectivity failure
(B) Proliferation of counterfeit and low-quality commercial goods in unorganized retail markets
(C) Acute lack of physical warehousing and storage capacity across central FCI godowns
(D) Identity fraud and ghost beneficiaries causing leakages

74. Which of the following accurately describes the ownership of goods in an e-commerce marketplace model compliant with India's FDI policy?
(A) Independent registered sellers own the listed goods
(B) The e-commerce marketplace platform entity itself retains complete legal ownership of all listed goods
(C) The central government holds a mandatory 51 percent majority equity ownership stake in all merchandise
(D) The contracted third-party logistics and delivery partner assumes full ownership of goods during transit

75. What is the designated rate for Tax Collected at Source (TCS) that an e-commerce operator must collect under the GST framework (CGST + SGST combined) on the net value of taxable supplies?
(A) 0.5%
(B) 1.0%
(C) 5.0%
(D) 18.0%

76. Match the Regulatory/Policy Frameworks in List I with their corresponding Key Provisions in List II:
List I: (Frameworks)
P. National Food Security Act, 2013
Q. FDI Policy in E-commerce
R. Consumer Protection (E-commerce) Rules, 2020
S. GST Act (E-commerce provision)
List II: (Provisions)
1. Mandates the deduction of TCS by platform operators
2. Prohibits marketplace entities from owning inventory
3. Establishes legal entitlement to subsidized foodgrains for ~67% population
4. Mandates appointment of a grievance redressal officer
Select the correct answer using the codes given below:
(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-2, R-4, S-1
(C) P-4, Q-1, R-3, S-2
(D) P-3, Q-4, R-2, S-1

77. Which of the following provides the most appropriate economic rationale for providing agricultural fertilizer subsidies in a developing economy?
(A) Lowering input costs to ensure productivity and food security
(B) Generating maximum indirect tax revenues for state governments from agricultural commercial outputs
(C) Artificially inflating export market prices of staple foodgrains traded in international trade arenas
(D) Ensuring that chemical fertilizer manufacturing corporations establish a permanent global market monopoly

78. What potential impact is the Open Network for Digital Commerce (ONDC) expected to have on market monopolies in the e-commerce sector?
(A) It will rapidly consolidate the entire digital retail market share into a single dominant foreign corporate entity
(B) It will establish a strict, centralized government monopoly over all commercial pricing across online storefronts
(C) Unbundling supply chains to break integrated platform monopolies
(D) It will legally prohibit all newly established technology startups from entering the digital e-commerce sector

79. In the context of PDS reform, what is the key difference between the Targeted Public

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Distribution System (TPDS) introduced in 1997 and the previous universal PDS?

(A) TPDS restricted ration distribution strictly to urban centers while maintaining universal access in rural areas

(B) TPDS completely abandoned physical grain delivery mechanisms in favor of direct cash transfers to beneficiaries

(C) TPDS shifted the entire financial expenditure and administrative burden of food subsidies to state governments

(D) Introducing differentiated prices and benefits for BPL and APL families

80. Arrange the following technological and policy evolutions in India's retail and distribution ecosystem in their correct historical/chronological order of wide-scale implementation:

I. Launch of the Unified Payments Interface (UPI) ecosystem

II. Implementation of the Targeted Public Distribution System (TPDS)

III. Introduction of the Open Network for Digital Commerce (ONDC)

IV. Passage of the National Food Security Act (NFSA)

Select the correct sequence from the options below:

(A) II, IV, I, III

(B) IV, II, III, I

(C) II, I, IV, III

(D) IV, I, II, III

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ANSWERS

1. (B) Correcting market failures by lowering the price of merit goods to ensure affordability for vulnerable populations
Subsidies on essential commodities primarily serve to address inherent market failures by reducing the end-consumer price of merit goods. Free markets often fail to ensure equitable distribution of basic necessities, leading to severe under-consumption among low-income households. By lowering retail costs, government intervention enhances purchasing power, ensures social welfare, and maintains baseline consumption.

2. (D) 75 percent of the rural population and 50 percent of the urban population
The National Food Security Act legally entitles up to 75 percent of the rural population and 50 percent of the urban population to receive subsidized foodgrains. Overall, this coverage encompasses nearly two-thirds of the total national population. Beneficiaries are categorized into Priority Households and Antyodaya Anna Yojana households to ensure targeted welfare assistance.

3. (A) Identification of eligible beneficiaries and issuance of ration cards
Under the cooperative federal framework governing public distribution, operational responsibilities are clearly demarcated. The central government manages procurement, bulk storage, and interstate allocation of foodgrains. Conversely, state governments bear exclusive responsibility for identifying eligible socio-economic beneficiaries, issuing individual ration cards, supervising local fair price shops, and ensuring retail distribution to consumers.

4. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Inter-state and intra-state portability of food security entitlements fundamentally transforms welfare access for domestic migrant workers. By utilizing nationwide digital integration through electronic Point of Sale machines, beneficiaries can claim their designated monthly grain quotes at any Fair Price Shop across the country. This administrative mechanism directly removes geographic barriers and prevents food insecurity.

5. (A) By transferring subsidy funds directly into beneficiaries' Aadhaar-linked bank accounts
Direct Benefit Transfer introduces technological reform in welfare delivery by routing monetary subsidies straight into verified, Aadhaar-linked bank accounts of target citizens. This systemic transition eliminates administrative bottlenecks, reduces systemic leakages, curbs corruption from physical intermediaries, and enhances fiscal efficiency, ensuring that allocated financial assistance reaches genuine beneficiaries without undue delay or diversion.

6. (D) Denying eligible poor households their legitimate access to subsidized benefits
In welfare targeting frameworks, an exclusion error occurs when genuine, deserving, and socio-economically vulnerable households are mistakenly left out of official entitlement lists. This failure deprives vulnerable citizens of subsidized essential items like foodgrains. Addressing exclusion errors is critical for maintaining social safety nets and ensuring comprehensive coverage under national food security initiatives.

7. (B) Petroleum/LPG fuel subsidy
Launched to provide clean cooking fuel to low-income households, Pradhan Mantri Ujjwala Yojana specifically targets LPG fuel delivery. By granting deposit-free connections to underprivileged women, the scheme promotes clean energy access, replaces health-hazardous biomass fuels, and integrates with direct transfer mechanisms to streamline petroleum fuel subsidies while minimizing unauthorized diversion to commercial sectors.

8. (A) I and II only
The Nutrient Based Subsidy scheme governs non-urea fertilizers, specifically Phosphatic and Potassic compounds, linking financial support directly to nutrient percentages. The central objective is promoting balanced fertilizer application to preserve long-term soil health, rather than encouraging distorted over-

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application. Urea remains under a separate price control framework, making balanced nutrient management a vital policy focus.

9. (D) In the inventory model, the entity owns the goods sold, while the marketplace model provides an IT platform for buyers and sellers.
Regulatory distinctions between e-commerce operations center on merchandise ownership and control. In an inventory-based framework, the enterprise directly owns, stocks, and manages the products sold to consumers. Conversely, a marketplace operator merely offers a digital information technology platform that acts as a facilitator, enabling independent sellers to interact and trade with potential online buyers.

10. (C) 100 percent FDI under the automatic route is permitted in the marketplace model of e-commerce.
Under current regulatory frameworks governing foreign investments in digital retail, foreign entities can invest up to 100 percent equity through the automatic route in marketplace e-commerce platforms. However, foreign direct investment is strictly prohibited in inventory-based e-commerce models to protect domestic brick-and-mortar retailers and small vendors from foreign capital domination.

11. (B) The lack of robust last-mile delivery infrastructure and standardized postal mapping
Expanding digital commerce beyond major metropolitan hubs presents significant operational difficulties in physical distribution networks. Tier-2 and tier-3 towns frequently suffer from incomplete physical mapping, unstandardized address records, and underdeveloped regional fulfillment networks. These logistical constraints increase last-mile delivery expenses, cause order fulfillment delays, and impede seamless commercial expansion across emerging markets.

12. (B) I, II, and IV only
Consumer Protection Rules of 2020 establish regulatory requirements for digital commerce platforms, including mandatory grievance officers, price manipulation bans, and clear country-of-origin disclosures on listed products. These mandates apply equally to foreign and domestic e-commerce platforms servicing domestic consumers. This framework safeguards consumer interests and fosters transparent merchant practices across the marketplace.

13. (A) Tax Collected at Source
Under the Goods and Services Tax framework, TCS denotes Tax Collected at Source. E-commerce platforms facilitating taxable transactions are statutory entities mandated to deduct a specific percentage of tax from gross sales proceeds prior to remitting vendor payments. This mechanism ensures regulatory tracking of commercial activities conducted over digital storefronts by independent merchants.

14. (C) To democratize digital commerce by shifting from platform-centric to open-network models
The Open Network for Digital Commerce seeks to structurally transform online retail by moving away from proprietary, platform-centric models towards an open, interoperable network architecture. This initiative aims to democratize digital trade by standardizing technical protocols, enabling small retailers and local businesses to engage in digital commerce without platform lock-in or intermediary monopolization.

15. (D) National Payments Corporation of India (NPCI)
The National Payments Corporation of India acts as the specialized umbrella organization managing retail payment systems and settlement mechanisms nationwide. Established under regulatory guidance from the central bank and the domestic banking industry association, NPCI owns and operates key national payment infrastructures, including the Unified Payments Interface, driving real-time mobile digital transactions.

16. (C) P-4, Q-3, R-2, S-1
Food subsidies fund national distribution under food security laws, while fertilizer subsidies are governed by nutrient-based criteria. Direct benefit transfers involve transferring cash straight into beneficiary bank accounts using digital identification. Kerosene subsidies have undergone systematic reductions due to public policy shifts toward cleaner alternatives like liquefied petroleum gas for cooking.

17. (B) The rollout of Ujjwala Yojana promoting LPG as a clean cooking fuel
The policy shift away from subsidized liquid lighting fuel was primarily driven by the national expansion of clean household cooking gas schemes. Promoting deposit-free cooking gas access reduced household dependency on

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polluting, traditional biomass and lighting oil, facilitating the administrative withdrawal of operational subsidies while mitigating health risks associated with indoor smoke exposure.

18. (D) A fake identity used to draw and divert subsidized foodgrains
In public distribution mechanisms, ghost beneficiaries refer to fraudulent, fictitious, or deceased identities wrongfully retained on official ration databases to siphon off allocated foodgrains. Corrupt intermediaries exploit these non-existent accounts to divert subsidized essential commodities away from welfare recipients into open commercial market channels, causing major fiscal losses and undermining welfare targeting efforts.

19. (A) By distributing essential commodities at low uniform Central Issue Prices
Price stabilization for vulnerable populations is achieved by providing foodgrains at fixed, deeply subsidized central issue prices through state distribution outlets. This statutory pricing structure insulates low-income households from unpredictable market inflation and seasonal price spikes, guaranteeing affordable access to basic nutrition regardless of general macroeconomic fluctuations in open commercial agricultural markets.

20. (C) Procurement from Farmers → Storage by FCI → Allocation to States → Distribution via FPS
The public distribution operational flow follows a defined structural sequence. It originates with foodgrain procurement from domestic agricultural producers at minimum support prices. The Food Corporation of India stores these stocks in central godowns, followed by administrative allocation to individual state governments, which subsequently transport and distribute grains to consumers through fair price shops.

21. (A) Fiscal exchequer burden versus vulnerable population welfare
Subsidy policy discussions revolve around balancing government fiscal discipline against socio-economic welfare objectives. Expanding subsidy commitments places fiscal pressure on state treasuries, widening budgetary deficits and restricting public capital investment in critical infrastructure. However, sharp subsidy reductions compromise social safety nets designed to shield poor and vulnerable populations from market volatility and acute poverty.

22. (D) Exclusion errors resulting from biometric authentication failures or lack of linkage
Biometric integration under digital welfare frameworks significantly diminishes fraudulent entries and ghost cards. However, persistent technological constraints like network connectivity outages, fingerprint wear among manual laborers, and database mismatch issues can prevent legitimate beneficiaries from successfully completing verification, resulting in severe exclusion errors and total denial of statutory welfare access.

23. (B) Permitting FPS dealers to export subsidized grains freely
Modernizing distribution outlets involves introducing electronic point-of-sale terminals, implementing real-time biometric identification, and digitizing supply chain logistics. Permitting retail dealers to export allocated subsidized foodgrains overseas is strictly prohibited, as public distribution commodities are legally reserved for targeted domestic food security and price stabilization rather than private international trade operations.

24. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Foreign direct investment regulations prohibit foreign entities from executing inventory-based e-commerce operations. This regulatory constraint prevents deep-pocketed global platform operators from accumulating massive inventory stocks, engaging in predatory price discounting, and creating unfair competition that could destabilize unorganized physical retailers and small domestic commercial enterprises across traditional local retail markets.

25. (D) Increased competition regarding pricing, convenience, and home delivery expectations
The expansion of digital platforms introduces competitive pressure on traditional neighborhood stores. E-commerce platforms alter consumer behavior by offering extensive product catalogs, competitive pricing, doorstep delivery, and convenient digital payment solutions. Consequently, physical retail stores face ongoing pressure to modernize operational practices,

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adopt digital payment mechanisms, and enhance local service offerings.

26. (A) By driving digital literacy, connectivity, and online transactions
The expansion of e-commerce relies directly on foundational infrastructure developed under national digitalization initiatives. Widespread broadband deployment, mobile network expansion, digital payment adoption, and public digital literacy drives create the ecosystem required for digital storefronts to operate. In turn, online shopping accelerates digital payment adoption across diverse socio-economic demographics nationwide.

27. (B) 5 kg of foodgrains per person per month
Under national food security legislation, priority household classification entitles verified individual beneficiaries to receive five kilograms of subsidized foodgrains per person each month at prescribed issue rates. This per-capita entitlement model differs from household-based allocation schemes, ensuring that total food grain distribution scales proportionally with the size of eligible families.

28. (A) I and II only
Siphoning allocated foodgrains into commercial markets and generating unauthorized bogus ration cards represent major operational leakages in public distribution systems. Although point-of-sale technological integration and biometric verification significantly diminish identity fraud and track distribution, these mechanisms have not entirely eradicated structural leakages or administrative malpractices across all local retail outlets.

29. (A) Expanding market reach beyond geography at low entry costs
Digital storefronts enable small and medium enterprises to transcend localized market barriers, allowing them to showcase products to national and global consumer bases. By leveraging established platform infrastructures, smaller commercial firms avoid heavy capital investments in physical retail setups, thereby lowering market entry barriers and facilitating business scaling at reduced operational overheads.

30. (C) By mandating the appointment of a Grievance Officer and establishing clear seller disclosure norms
E-commerce consumer protection regulations establish accountability structures to curb the proliferation of fraudulent or non-genuine products. Platforms must designate dedicated grievance redressal officers to resolve buyer complaints within fixed timeframes. Additionally, mandatory seller disclosure guidelines require clear merchant details, origin information, and contact credentials, improving marketplace transparency and merchant liability.

31. (D) Exposing recipients to price inflation and market volatility
Shifting from physical grain provision to pure cash transfers exposes recipient households to retail market price shocks. While in-kind distribution offers absolute food volume guarantees regardless of market inflation, cash transfers can lose purchasing power during sudden food price inflation, potentially reducing real household food security unless monthly monetary transfers are dynamically indexed to prevailing retail inflation.

32. (B) I, III, and IV only
Supported by the Department for Promotion of Industry and Internal Trade, the Open Network for Digital Commerce aims to neutralize proprietary platform dominance. By establishing open protocols, it enables interoperability where buyers and sellers transact without sharing the same platform application. This framework standardizes operational functions including product cataloging, inventory display, and fulfillment logistics across networks.

33. (B) Excluding Urea from NBS and heavily subsidizing its retail price
Skewed fertilizer consumption stems primarily from retaining statutory price controls and high subsidies on Urea while non-urea compounds operate under nutrient-based policies. The resulting price distortion makes Urea artificially inexpensive relative to Phosphatic and Potassic alternatives, prompting farmers to over-apply nitrogenous fertilizers, which deteriorates soil health and compromises long-term agricultural sustainability.

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34. (D) PAHAL (Pratyaksh Hanstantrit Labh)
PAHAL represents the flagship direct benefit transfer scheme designed for clean cooking gas subsidies. By transferring subsidy funds directly into Aadhaar-linked bank accounts of verified consumers, the program eliminated ghost connections, curtailed commercial diversion of domestic cylinders, and streamlined fiscal expenditures, establishing a landmark model for large-scale digital cash transfer initiatives in public administration.

35. (A) State Government – Setting Minimum Support Prices for crops
Setting Minimum Support Prices for agricultural crops falls under the jurisdiction of the Central Government, based on recommendations from the Commission for Agricultural Costs and Prices. State governments are responsible for intra-state foodgrain logistics, identifying eligible beneficiaries, issuing statutory ration cards, and overseeing the licensing and daily operation of local fair price retail outlets.

36. (C) P-3, Q-4, R-1, S-2
In marketplace models, e-commerce entities act strictly as technical platforms connecting independent merchants with buyers, whereas inventory models involve entities holding product ownership. The Unified Payments Interface operates as a real-time digital payment system driving national mobile transactions, while the Open Network for Digital Commerce establishes open protocols enabling interoperable commerce across apps.

37. (A) Promoting private corporate grain storage monopolies
Public distribution systems aim to protect vulnerable populations by distributing subsidized essential foodgrains, maintaining price stability during supply fluctuations, and providing food security across regions. Facilitating private corporate storage monopolies directly contradicts these public welfare goals, as commercial monopolies risk price manipulation, market distortion, and reduced access to basic nutrition for underprivileged citizens.

38. (D) Real-time, 24x7 interoperable free transfers on mobile devices
Exponential adoption of the Unified Payments Interface is primarily driven by its open, interoperable architecture enabling instant, round-the-clock money transfers between different banking institutions. Deployed without user fees for standard retail transactions, this seamless mobile payment mechanism eliminates merchant onboarding friction, accelerates digital financial inclusion, and supports small-value daily commercial transactions nationwide.

39. (B) Providing clear details on sellers, refunds, and product origins
Statutory disclosure mandates compel e-commerce operators to display comprehensive operational information to consumers. Platforms must present explicit details regarding merchant identity, geographic country of origin, return and exchange procedures, warranty terms, and delivery schedules. These provisions protect consumer rights, ensure post-purchase redressal, and prevent deceptive merchant practices across online commerce environments.

40. (A) II, IV, III, I
An Aadhaar-enabled distribution transaction follows a precise technical sequence. The shop operator first inputs the beneficiary's unique ration card or identification number into an electronic Point of Sale terminal. The system fetches official entitlement records from the central database, verifies biometric credentials on the device, and disburses physical foodgrain quotas upon validation.

41. (D) Inequitable allocation making essential goods unaffordable to the poor
In welfare economics, market failure occurs when price mechanisms fail to allocate resources efficiently or equitably. Left unchecked, free market dynamics can elevate prices of essential merit goods, placing food and utilities beyond the reach of low-income populations. Government intervention through targeted subsidies restores consumption balance, ensuring essential goods remain accessible to underprivileged citizens.

42. (A) Phosphatic and Potassic fertilizers
The Nutrient Based Subsidy scheme specifically regulates non-urea agricultural inputs, covering various Phosphatic and Potassic fertilizer grades. Under this operational policy, the central government fixes annual or seasonal subsidy rates based on specific nutrient contents—such as Nitrogen, Phosphate, Potash, and Sulphur—to promote balanced soil fertilization across diverse domestic agricultural zones.

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43. (B) Ration card Aadhaar-linkage and ePoS deployment at shops
Interstate entitlement portability under the national ration initiative relies on linking unique individual Aadhaar identifiers to digital ration databases, combined with deploying electronic Point of Sale terminals at Fair Price Shops. This technical infrastructure permits online biometric verification, allowing internal migrant workers to seamlessly draw food quotas in host states without transferring physical documents.

44. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Maintaining long-term sustainable macroeconomic balance requires periodic restructuring and targeted rationalization of public subsidy expenditure. Unregulated, open-ended subsidy growth creates substantial budgetary obligations, expanding national fiscal deficits and absorbing financial resources that could otherwise fund growth-enhancing capital projects, public infrastructure development, and economic assets vital for overall national economic development.

45. (A) Platform entities cannot own or control the inventory sold
Foreign direct investment regulations governing marketplace platforms strictly mandate that operating entities cannot own, control, or maintain inventory listed on their digital networks. This policy enforcement ensures that marketplaces function purely as technology service facilitators, preventing entity-owned sellers from dominating sales and protecting independent third-party vendors from unfair commercial disadvantage.

46. (C) Unauthorized monetization of user browsing and payment data
Data privacy concerns within e-commerce networks typically manifest through the unauthorized collecting, profiling, and commercial monetization of sensitive personal information. When digital platforms aggregate user browsing histories, location records, and transactional financial data without explicit consent to sell to third-party advertisers, consumer privacy is compromised, necessitating stringent regulatory framework enforcement.

47. (D) The e-commerce operator facilitating the platform supply
Under Goods and Services Tax provisions, the operational liability to collect Tax Collected at Source rests squarely on the facilitating e-commerce platform operator. When transactions occur across digital marketplaces, the platform operator must deduct the prescribed tax percentage from net taxable sales values before transferring remaining sales proceeds to third-party merchants.

48. (A) I and II only
Modernization of distribution outlets incorporates electronic point-of-sale deployment to verify identities and eliminate fake ration accounts, combined with digital supply chain tracking to monitor grain transport from storage depots. However, these structural reforms focus on administrative technology integration rather than privatizing statutory welfare distribution to large private corporate retail corporations.

49. (B) It expanded market access by connecting rural users to online retail
The widespread proliferation of low-cost smartphones coupled with affordable high-speed mobile data has expanded the digital consumer footprint beyond metropolitan centers. This technological accessibility connects previously underserved rural and semi-urban populations directly to digital marketplaces, expanding seller consumer bases, accelerating digital transaction adoption, and driving sustained market growth across regions.

50. (D) Priority Households (PHH) and Antyodaya Anna Yojana (AAY) households
National food security legislation establishes two distinct legal categories for beneficiary households: Priority Households and Antyodaya Anna Yojana households. Priority Households receive foodgrain allocations calculated on a per-person monthly basis, whereas Antyodaya Anna Yojana households, representing the poorest socio-economic stratum, receive a fixed monthly allocation per family to ensure targeted nutritional support.

51. (A) In-kind/physical distribution to cash transfers
Implementing direct transfer mechanisms marks a structural shift from physical in-kind commodity distribution toward direct digital

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cash transfers into beneficiary accounts. Moving away from manual physical distribution reduces administrative warehousing costs, minimizes physical commodity leakages, and grants welfare recipients financial flexibility to fulfill individual household requirements directly through commercial market channels.

52. (C) I, II, and IV only
Digital connectivity expansion, real-time payment frameworks, and nationwide digital literacy campaigns directly enable commercial growth in e-commerce. Rather than hindering digital objectives, expanding online retail reinforces public digital adoption, promotes electronic financial transactions, and connects rural merchants to national consumers, demonstrating clear synergies between digital infrastructure initiatives and e-commerce ecosystem growth.

53. (A) Ineligible households receive benefits, inflating fiscal burden
An inclusion error occurs when affluent or ineligible households successfully obtain welfare entitlements reserved for poor populations. This misallocation increases the public subsidy bill, inflates state fiscal burdens, and diverts designated food stocks away from genuine beneficiaries, compromising overall fiscal efficiency without advancing social welfare objectives for disadvantaged economic groups.

54. (D) Siphoning subsidized grains into open market black sales
Foodgrain diversion represents an illegal practice where commodities intended for public distribution are illicitly siphoned off during transit or from retail shops. Corrupt intermediaries divert these subsidized grains to open commercial markets for illicit resale at higher market prices, depriving target beneficiaries of statutory welfare entitlements and creating severe leakage in state welfare budgets.

55. (B) Balanced application of nutrients to preserve soil health
The Nutrient Based Subsidy framework was introduced to encourage balanced application of primary agricultural nutrients, including Nitrogen, Phosphorus, Potassium, and Sulphur. Linking financial support to exact nutrient composition discourages the over-application of single chemical inputs, preserves long-term soil chemistry and fertility, mitigates environmental degradation, and enhances overall crop productivity across agricultural regions.

56. (C) P-3, Q-2, R-1, S-4
An inclusion error involves non-eligible wealthy households securing benefits, whereas an exclusion error occurs when needy households fail to access entitled welfare. Ghost beneficiaries involve fabricated or fake identities used to siphon off allocations, and diversion refers to routing subsidized commodities to the open commercial black market for illegal private profit.

57. (D) The price Central Government charges States for foodgrain allocation
Central Issue Price specifies the uniform price at which the central government allocates procured foodgrains from central stocks to state governments for public distribution. Because this rate is set substantially lower than the economic cost of procurement, handling, and storage, the central exchequer absorbs the resulting financial gap as a food subsidy expenditure.

58. (A) Surge in mobile smartphone ownership and low-cost 4G data
Modern e-commerce expansion in India has been driven by rapid adoption of internet-enabled smartphones and wide availability of affordable mobile data. These technological factors significantly expanded internet connectivity into semi-urban and rural areas, creating millions of new digital consumers, encouraging online shopping adoption, and driving transaction growth across diverse retail markets.

59. (B) Within 48 hours
Under statutory consumer protection regulations governing e-commerce operations, the designated grievance redressal officer must formally acknowledge receipt of any consumer complaint within forty-eight hours. Furthermore, the regulatory framework mandates complete resolution of the grievance within one month from receipt date, ensuring structured accountability and prompt consumer grievance resolution across digital retail platforms.

60. (B) Product Browsing → Checkout & Payment → Seller Confirmation → Order Dispatch → Delivery
Order fulfillment in digital marketplaces follows a logical sequential process. The customer initiates the process by browsing products, selecting

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items, and completing digital checkout payment. Upon payment confirmation, the registered third-party seller confirms order availability, packages the goods for dispatch via logistics partners, and completes final physical delivery to the consumer's address.

61. (A) Rationalization ensures that the private sector completely monopolizes essential goods.
Subsidy rationalization seeks to optimize public resource allocation, eliminate inclusion and exclusion targeting errors, reduce fiscal exchequer burdens, and prevent resource misallocation like groundwater depletion. Promoting complete private monopolies over essential goods is not an objective of rationalization, as government oversight remains vital to maintain market equity, prevent exploitation, and shield vulnerable citizens.

62. (C) Domestic LPG cylinders
Under the landmark PAHAL implementation, government subsidy management transitioned from physical price reductions on domestic LPG cylinders to direct monetary account transfers. Consumers purchase gas cylinders at market rates, while designated subsidy entitlements are deposited directly into their Aadhaar-linked bank accounts, curbing commercial diversion, identifying duplicate connections, and improving fiscal transparency.

63. (A) I and II only
Pradhan Mantri Ujjwala Yojana provided deposit-free liquefied petroleum gas connections to women in low-income households to replace traditional indoor biomass fuels and mitigate associated respiratory health hazards. The government did not establish a permanent fixed price of one hundred rupees per cylinder for all citizens, as cylinder pricing fluctuates with market dynamics and targeted subsidy frameworks.

64. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Direct benefit mechanisms eliminate administrative middle channels by depositing financial subsidies straight into validated, Aadhaar-linked bank accounts of entitled recipients. Electronic fund transfers prevent physical interception by unauthorized middlemen, curb leakages, enhance operational transparency, and ensure that public expenditure reaches genuine welfare targets without unauthorized administrative deductions or systemic delays.

65. (B) An open network enabling cross-app buyer-seller transactions
Open network architecture contrasts with closed proprietary platforms by establishing standardized open specifications for commerce. Instead of forcing buyers and sellers to operate within a single centralized platform, the open network permits cross-application transactions. Buyers on one application can seamlessly discover, order, and purchase goods listed by merchants on entirely different network-connected applications.

66. (D) Indian Banks' Association (IBA)
The National Payments Corporation of India was established as a specialized institutional guidance initiative under the Reserve Bank of India in active partnership with the Indian Banks' Association. Formed under payment system legislative frameworks, NPCI serves as an umbrella entity driving digital retail payments, maintaining robust technical clearing systems, and managing payment networks like UPI.

67. (A) The commission or margin earned on the volume of foodgrains distributed
Authorized distribution shop dealers operate on a commission or margin structure calculated per unit weight of foodgrains distributed to eligible beneficiaries. State governments fix and disburse these dealer margins. Enhancing dealer commission rates and permitting sales of non-subsidized daily essential goods are key reform strategies aimed at improving retail shop financial sustainability.

68. (A) I and II only
The national food subsidy represents the financial variance between the total economic cost incurred in procuring, storing, and transporting foodgrains, and the lower central issue price charged to states. The central government bears this subsidy expense under food security legislation, while states execute operational logistics without carrying the overall fiscal burden of food subsidy funding.

69. (A) Diesel adulteration leakages and expanded LPG availability
Phasing out subsidized liquid lighting fuel was motivated by persistent commodity leakages,

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where cheap kerosene was illicitly diverted to adulterate commercial automotive diesel. Furthermore, rapid expansion of domestic cooking gas connections under national clean energy initiatives provided rural households with superior cooking alternatives, rendering heavy kerosene subsidies unnecessary and economically inefficient.

70. (D) Private address of previous buyers
Statutory consumer rules mandate that online merchants disclose commercial details, including total retail prices, break-down charges, geographic country of origin, and expiry dates for perishable items. Sharing or publishing private addresses of previous buyers is strictly prohibited under data protection principles, as user personal data privacy must be maintained by e-commerce platforms and registered merchants.

71. (B) IV only
Cash transfers offer purchasing choice, while physical food distribution shields recipients from retail market inflation. Successful direct financial benefit delivery requires functional banking and digital communications infrastructure. Physical commodity distribution mechanisms incur substantial administrative costs, including procurement incidentals, interstate rail transport, bulk storage, and retail dealer commissions, making in-kind distribution logistically resource-intensive.

72. (C) 35 kg per household
National food security legislation mandates that households categorized under the Antyodaya Anna Yojana are legally entitled to receive thirty-five kilograms of foodgrains per family each month at subsidized rates. Designed specifically for the poorest socio-economic households, this allocation provides fixed household-level quota protection, ensuring basic food security regardless of family size.

73. (D) Identity fraud and ghost beneficiaries causing leakages
Integrating biometric authentication using electronic Point of Sale terminals at retail shops verifies beneficiary identities in real time. Matching fingerprint or iris scans against database records ensures that allocated foodgrains are disbursed exclusively to genuine recipients. This technological reform eliminates ghost ration cards, prevents duplicate claims, and drastically reduces physical grain leakage.

74. (A) Independent registered sellers own the listed goods
Regulatory policies governing marketplace e-commerce stipulate that products listed on the platform must be owned strictly by independent, third-party registered vendors. Marketplace entities act purely as neutral technological facilitators connecting buyers and vendors, and are legally barred from maintaining ownership or inventory control over products listed on their digital platform infrastructure.

75. (B) 1.0%
Under national Goods and Services Tax legislation, e-commerce platform operators must collect Tax Collected at Source at a total combined rate of 1.0 percent on the net value of taxable supplies made through their platform. This combined tax consists of 0.5 percent Central GST and 0.5 percent State GST, ensuring tax compliance and digital transaction monitoring.

76. (B) P-3, Q-2, R-4, S-1
The Food Security Act establishes statutory rights to subsidized grains for nearly two-thirds of the population, while FDI policy prohibits marketplace platforms from owning merchandise inventory. Consumer protection rules compel e-commerce entities to appoint grievance officers, and GST legislation requires platform operators to collect tax at source on online vendor transactions.

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77. (A) Lowering input costs to ensure productivity and food security
Subsidizing agricultural fertilizers in developing economies reduces essential input expenses for farm producers, encouraging technological adoption and optimal fertilizer application. By lowering production costs, fertilizer subsidies enhance crop yields, stabilize national food production, protect farming incomes from input price shocks, and ensure baseline nutritional availability and food security across the nation.

78. (C) Unbundling supply chains to break integrated platform monopolies
The Open Network for Digital Commerce unbundles digital supply chain operations by separating buyer onboarding, seller listing, cataloging, payment processing, and logistics

fulfillment into distinct open network layers. This modular architecture prevents platform gatekeeping, reduces dominant platform monopolies, and empowers small merchants by allowing them to choose independent network service providers.

79. (D) Introducing differentiated prices and benefits for BPL and APL families
The transition to targeted public distribution replaced the previous universal coverage framework with a tiered entitlement system. Under this policy reform, beneficiary households were categorized into Below Poverty Line and Above Poverty Line groups, establishing differential central issue prices and quota allocations to prioritize financial subsidies toward socio-economically vulnerable households.

80. (A) II, IV, I, III
The historical evolution of national distribution frameworks began with introducing the Targeted Public Distribution System in 1997. This was followed by enacting the National Food Security Act in 2013, launching the Unified Payments Interface in 2016, and rolling out the Open Network for Digital Commerce initiative to transform digital retail.

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CHAPTER 07

Agriculture and Industry Sectors: Status, Issues and Initiatives

1. India's agriculture sector exhibits a distinct structural disparity regarding its contribution to the economy. Which of the following statements best describes this disparity at the macroeconomic level?
(A) The sector's share in GDP has been steadily declining, yet it continues to employ the largest share of the workforce.
(B) The sector accounts for the majority of the GDP but employs a very small fraction of the workforce.
(C) Both the GDP contribution and employment share of the agriculture sector have grown proportionately over the last two decades.
(D) The sector's employment share has dropped faster than its GDP share, leading to high per capita agricultural income.

2. Match the following agricultural schemes with their core features:
List I: Schemes
P. PM-KISAN
Q. PM Fasal Bima Yojana (PMFBY)
R. e-NAM
S. Kisan Credit Card (KCC)
List II: Core Features
1. Pan-India electronic trading portal
2. Direct income support of Rs 6,000 per year
3. Short-term institutional credit for farmers
4. Yield-based crop insurance against non-preventable risks
(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-4, R-1, S-2

3. Continuous land fragmentation in India has significantly impacted agricultural mechanization and productivity. According to the Agriculture Census 2015-16, how does the average operational land holding size in Rajasthan compare with the national average?
(A) Rajasthan's average holding size is significantly higher (approx 2.73 hectares) than the national average (approx 1.08 hectares).
(B) Rajasthan's average holding size is significantly lower than the national average.
(C) Rajasthan's average holding size is roughly equal to the national average.
(D) Both averages have stabilized at 5 hectares due to land consolidation efforts.

4. Consider the following statements regarding the historical stagnation of the manufacturing sector's share in India's GDP:
I. The manufacturing sector's share in India's GDP has remained largely stagnant around 15-17 percent for the last three decades.
II. Premature deindustrialization and a rapid shift towards the services sector contributed to this prolonged stagnation.
III. Complex regulatory compliances and high logistics costs have been major constraints preventing manufacturing growth.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

5. Under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme, which of the following categories of farmers is explicitly excluded from receiving the direct income support?
(A) Marginal farmers holding less than 1 hectare of cultivable land
(B) Farmer families where one or more of its members are former or present Members of Parliament
(C) Small farmers holding irrigated land up to 2 hectares
(D) Farmers utilizing non-institutional credit sources like local moneylenders

6. Read the following statements and choose the correct option:

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Assertion (A): The Production Linked Incentive (PLI) schemes were launched to enhance India's domestic manufacturing capabilities and boost exports.
Reason (R): The PLI schemes provide fixed capital subsidies to industries for setting up new manufacturing plants, regardless of their actual production output.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

7. The World Bank's Ease of Doing Business index was a globally recognized metric for evaluating regulatory compliance burdens. Before the discontinuation of this report, India achieved a significant historical jump to reach which rank in the final Doing Business 2020 report?
(A) 142nd
(B) 100th
(C) 77th
(D) 63rd

8. Arrange the following enterprise categories in ascending order based on their maximum investment limits in plant and machinery or equipment, as per the revised MSME classification implemented in 2020:
1. Small Enterprise
2. Medium Enterprise
3. Micro Enterprise

Select the correct sequence from the options below:
(A) 3, 1, 2
(B) 3, 2, 1
(C) 1, 3, 2
(D) 2, 1, 3

9. Contract farming aims to stabilize farmer income by transferring price risk. Which of the following is generally considered a primary limitation or risk of contract farming for small and marginal farmers in India?
(A) Reliance on private corporations causing severe distortion in local crop prices
(B) Unequal bargaining power leading to potential exploitation by corporate sponsors
(C) Frequent supply chain disruptions caused by erratic climate and market shifts
(D) High operational costs associated with modern input supply and land preparation

10. What is the primary purpose of the 'Udyam Registration' portal launched by the Ministry of Micro, Small and Medium Enterprises in 2020?
(A) To facilitate seamless pan-India electronic trading of diverse agricultural commodities and farm products
(B) To provide an online, paperless, zero-cost self-declaration registration process for MSMEs
(C) To monitor, track, and regulate foreign direct investment caps in the defence manufacturing industry
(D) To track and manage state-wise disbursement of emergency farm loan waivers to eligible rural families

11. Consider the following statements regarding the premium rates under the Pradhan Mantri Fasal Bima Yojana (PMFBY):
I. The maximum premium payable by farmers is 2 percent of the sum insured for all Kharif food and oilseed crops.
II. The maximum premium payable by farmers is 1.5 percent of the sum insured for all Rabi food and oilseed crops.
III. The maximum premium payable by farmers is 5 percent of the sum insured for annual commercial and horticultural crops.
IV. The remaining actuarial premium burden is borne entirely by the Central Government without any state contribution.

Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

12. High logistics costs have historically been a major constraint on the competitiveness of Indian manufacturing. The National Logistics Policy (2022) aims to reduce India's logistics costs as a percentage of GDP to which of the following target ranges?
(A) From roughly 25 percent down to 15 percent of annual national output
(B) Down to zero percent for all registered MSME and agricultural exports
(C) From roughly 14-18 percent down to single digits around 8-9 percent
(D) Below 2 percent by eliminating all inter-state checkpoints and tolls

13. Match the Industrial Corridors with their associated key features or regions:

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List I: Industrial Corridors

P. Delhi-Mumbai Industrial Corridor (DMIC)
Q. Amritsar-Kolkata Industrial Corridor (AKIC)
R. Chennai-Bengaluru Industrial Corridor (CBIC)
S. Vizag-Chennai Industrial Corridor (VCIC)

List II: Key Features / Regions

1. Aligned largely with the Eastern Dedicated Freight Corridor
2. Passes significantly through Rajasthan, including nodes like Khushkhera-Bhiwadi-Neemrana
3. A vital segment of the broader East Coast Economic Corridor
4. Focuses on transforming the southern peninsula into a global manufacturing hub

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-1, R-4, S-3

14. The Kisan Credit Card (KCC) scheme was introduced to provide timely and adequate institutional credit to farmers. Which of the following is NOT an eligible component for which KCC credit limits are typically sanctioned?

(A) Post-harvest expenses and produce marketing loans
(B) Consumption requirements of the farmer household
(C) Purchase of heavy earth-moving machinery for commercial mining operations
(D) Working capital for maintenance of farm assets and allied agricultural activities

15. Read the following statements and choose the correct option:

Assertion (A): The implementation of the e-NAM platform required participating states to amend their respective state regulations.

Reason (R): Agricultural marketing is a State subject in India, and local mandis are governed by state-specific APMC Acts.

(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

16. Select the correct chronological order of the initial launch years of the following major government initiatives, from earliest to latest:

1. Make in India
2. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)
3. Atmanirbhar Bharat Abhiyan
4. National Agriculture Market (e-NAM)

Select the correct sequence from the options below:

(A) 1 - 4 - 2 - 3
(B) 1 - 2 - 4 - 3
(C) 4 - 1 - 2 - 3
(D) 4 - 2 - 1 - 3

17. The term "yield gap" in Indian agriculture refers to a significant productivity issue. Which of the following best defines this yield gap?

(A) The gap between actual crop yields realized by farmers and potential ideal yields
(B) The difference between total agricultural output in Kharif and Rabi farming seasons
(C) The gap between declared Minimum Support Prices and actual market trading prices
(D) The difference between total available arable land and net sown area in a year

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18. Despite the existence of the Agricultural Produce Market Committee (APMC) system designed to protect farmers, several limitations sparked the push for APMC reforms. Which of the following is recognized as a major limitation of the traditional APMC mandi system?

(A) It required farmers to sell directly to consumers, eliminating wholesale intermediaries completely
(B) It abolished all mandi fees and trading commissions, severely depleting state fiscal revenues
(C) It created market fragmentation, high entry barriers, multiple fees, and trader cartelization
(D) It allowed unrestricted cross-border transport of produce to international commodity markets

19. The historical National Manufacturing Policy (NMP) introduced in 2011 had set a major quantitative target for the manufacturing sector. What was this target?

(A) To increase the share of manufacturing in GDP to 25 percent and create 100 million jobs by 2022.
(B) To ensure manufacturing exports exceed agricultural exports by 50 percent within a decade.
(C) To completely restrict Foreign Direct

Investment in the manufacturing sector to protect domestic MSMEs.
(D) To shift 200 million surplus agricultural workers strictly to the services sector by 2025.

20. Consider the following statements regarding the Atmanirbhar Bharat Abhiyan launched in the wake of the COVID-19 pandemic:
I. It focuses exclusively on absolute self-reliance by closing the Indian economy to all foreign imports and investments.
II. It aims to build resilient supply chains and promote import substitution through domestic manufacturing.
III. It includes broad-based economic stimulus packages addressing MSMEs, agriculture, and labor.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

21. The Government of India undertook a major reform of labour laws by amalgamating 29 central labour laws into four distinct Labour Codes. Which of the following is NOT one of these four fundamental Labour Codes?
(A) The Code on Wages
(B) The Code on Corporate Social Responsibility
(C) The Industrial Relations Code
(D) The Occupational Safety, Health and Working Conditions Code

22. Foreign Direct Investment (FDI) caps have been systematically liberalized to boost industrial growth. Currently, what is the standard FDI limit permitted under the automatic route for greenfield medical devices manufacturing and most electronic component manufacturing?
(A) 26 percent
(B) 49 percent
(C) 74 percent
(D) 100 percent

23. Match the specific focus of the newly codified Labour Codes with their respective provisions:
List I: Labour Codes
P. Code on Wages
Q. Industrial Relations Code
R. Social Security Code
S. Occupational Safety, Health and Working Conditions Code

List II: Focus Area
1. Universalizes minimum wages and timely payment to all wage workers
2. Regulates trade unions, conditions of employment, and resolution of industrial disputes
3. Extends provident fund, maternity benefits, and pension to gig and platform workers
4. Consolidates regulations regarding the factory environment, working hours, and workplace hazards
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-1, Q-2, R-3, S-4

24. While comparing the historical growth trends of agriculture and industry in India, economic data generally shows that:
(A) Agriculture shows weather-driven volatility, while industry follows macroeconomic demand cycles.
(B) Industrial growth depends heavily on monsoons, while agriculture follows global equity markets.
(C) Both sectors have sustained a uniform growth rate of eight percent annually since independence.
(D) Agriculture has zero volatility from full irrigation, while industry fluctuates with crop prices.

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25. Read the following statements and choose the correct option:
Assertion (A): Large-scale farm loan waivers are frequently criticized by central banks and economists.
Reason (R): Farm loan waivers tend to distort long-term credit culture and damage credit discipline among borrowers, impacting future banking operations.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

26. The Delhi-Mumbai Industrial Corridor (DMIC) is one of India's most ambitious infrastructure projects. Approximately what percentage of the DMIC's length or influence area passes through the state of Rajasthan?
(A) 5 percent

(B) 15 percent
(C) 39 percent
(D) 75 percent

27. Consider the following statements regarding the parameters historically used to measure the Ease of Doing Business (EODB):
I. Starting a Business
II. Dealing with Construction Permits
III. Getting Electricity
IV. Conducting Foreign Policy Affairs
Which of the above statement(s) is/are correct regarding parameters officially included in the World Bank's Ease of Doing Business assessment?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

28. Arrange the logical sequence of steps involved in the operational cycle of the Pradhan Mantri Fasal Bima Yojana (PMFBY) for a participating farmer:
1. Occurrence of a notified localized calamity or yield loss assessment at the end of the season
2. Payment of the farmer's share of the premium and enrollment
3. Notification of crops and areas by the State Government
4. Settlement and direct transfer of claims to the farmer's bank account

Select the correct sequence from the options below:
(A) 3, 2, 1, 4
(B) 2, 3, 1, 4
(C) 3, 1, 2, 4
(D) 1, 2, 3, 4

29. The "Make in India" initiative was launched in 2014 with the primary objective of transforming India into a global design and manufacturing hub. Which of the following is NOT one of the explicit foundational pillars of the Make in India initiative?
(A) New Processes focused on streamlining regulatory compliance for business
(B) New Infrastructure comprising industrial corridors and smart urban centers
(C) New Sectors involving liberalization of foreign direct investments
(D) Complete nationalization of all heavy industrial manufacturing firms

30. Which apex national body functions as the overarching regulatory framework for skill development in India, ensuring alignment of vocational training with industrial manpower needs?
(A) Agricultural and Processed Food Products Export Development Authority (APEDA)
(B) Telecom Regulatory Authority of India (TRAI)
(C) National Council for Vocational Education and Training (NCVET)
(D) Securities and Exchange Board of India (SEBI)

31. Match the economic sectors with their corresponding permitted Foreign Direct Investment (FDI) limits under the automatic route:
List I: Sector
P. Agriculture (specific activities like floriculture, seeds)
Q. Multi-brand Retail Trading
R. Defence Manufacturing (subject to certain conditions)
S. E-commerce marketplace model
List II: FDI Limit / Route
1. 100% under automatic route
2. Up to 74% under automatic route
3. 51% but only through Government route
4. 100% under automatic route
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-2, R-3, S-1

32. In the context of economic development, the "Lewis Model" or structural transformation theory suggests that surplus labor should transition from the traditional agricultural sector to the modern industrial sector. What is a primary reason this transition has been unusually slow in India?
(A) Rural agriculture offers higher per capita income than urban employment
(B) Legal statutes prohibit inter-state labor migration to urban industrial hubs
(C) Rural workers lack physical and cognitive capabilities for factory labor
(D) Manufacturing has failed to generate labor-intensive jobs for surplus labor

33. Consider the following statements regarding the classification of operational land holdings in India according to size:

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I. Marginal holdings are those with a size of less than 1 hectare.
II. Small holdings are those with a size between 1 and 2 hectares.
III. Semi-medium holdings are those with a size between 10 and 20 hectares.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

34. Read the following statements and choose the correct option:
Assertion (A): The Micro, Small and Medium Enterprises (MSME) sector is widely recognized as the engine of employment generation in India.
Reason (R): The MSME sector is highly capital-intensive and requires massive foreign technological investments rather than labor to scale up.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

35. The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a central sector scheme. What does the term "Central Sector Scheme" imply regarding its funding pattern?
(A) It is funded entirely (100%) by the Government of India.
(B) It is funded in a 60:40 ratio by the Centre and the respective State Governments.
(C) It is funded entirely by the respective State Governments but designed by the Centre.
(D) It is funded exclusively by international agencies like the World Bank.

36. Select the correct order of the institutional sources of agricultural credit in India based on their typical share in total credit disbursement (from highest share to lowest share):
1. Regional Rural Banks (RRBs)
2. Commercial Banks
3. Cooperative Banks

Select the correct sequence from the options below:
(A) 2 - 3 - 1
(B) 1 - 2 - 3
(C) 3 - 2 - 1
(D) 2 - 1 - 3

37. Which designated agency is the lead promoter and implementing agency for the electronic National Agriculture Market (e-NAM) under the aegis of the Ministry of Agriculture and Farmers' Welfare?
(A) Food Corporation of India (FCI)
(B) Small Farmers Agribusiness Consortium (SFAC)
(C) National Bank for Agriculture and Rural Development (NABARD)
(D) Commission for Agricultural Costs and Prices (CACP)

38. To provide a comprehensive legal framework for contract farming and protect farmers' interests, the Central Government circulated a model act to the states. In which year was the 'Model Contract Farming Act' introduced?
(A) 2003
(B) 2014
(C) 2018
(D) 2022

39. Consider the following statements regarding the expected impact of rigid labor laws on industrial growth in India prior to recent reforms:
I. They discouraged large-scale manufacturing because firms preferred to remain small to avoid complex compliance burdens.
II. They led to a phenomenon described as "dwarfism," where firms survive but do not grow.
III. They promoted rapid expansion of formal sector employment at the expense of informal jobs.
IV. They caused industries to substitute labor with automated machinery wherever possible.

Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) II, III and IV only
(D) I, II, III and IV

40. MSMEs are critical to the Indian economy. While their contribution fluctuates, historically, they account for approximately what percentage of India's manufacturing GDP and exports, respectively?
(A) 33% of manufacturing GDP and 45% of total exports
(B) 5% of manufacturing GDP and 10% of total exports
(C) 75% of manufacturing GDP and 80% of total

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exports
(D) 10% of manufacturing GDP and 5% of total exports

41. Which of the following is NOT covered as a valid risk for claim settlement under the standard Pradhan Mantri Fasal Bima Yojana (PMFBY) guidelines?
(A) Prevented sowing or planting risk due to deficit rainfall
(B) Crop loss strictly due to theft or malicious damage by an individual
(C) Post-harvest losses due to cyclonic rains left in the field to dry
(D) Yield loss due to non-preventable risks like drought, flood, and pests

42. In the context of agricultural marketing, what does APMC stand for?
(A) Agricultural Produce Market Committee
(B) Agricultural Process and Manufacturing Council
(C) Agrarian Pricing and Marketing Corporation
(D) Association of Primary Market Cooperatives

43. Under the traditional APMC Act, which of the following practices was a major cause of market fragmentation?
(A) Mandatory online crop sales through exclusive global trading portals without state authorization
(B) Complete removal and deregulation of commission agents operating within traditional mandi yards
(C) Imposition of multiple mandi fees and levies across different market areas and state borders
(D) Nationwide adoption of a uniform single-point taxation system for all agricultural commodities

44. The Production Linked Incentive (PLI) scheme initially targeted a few champion sectors before expanding. Which of the following was one of the earliest and most prominent sectors targeted under PLI to reduce import dependence?
(A) Commercial raw cotton harvesting and textile processing operations
(B) Production of basic primary education digital learning devices
(C) Traditional handloom weaving and artisan craft manufacturing units
(D) Large-scale electronics manufacturing of phones and components

45. Consider the following statements regarding the infrastructure gaps constraining Indian industry:
I. Unreliable power supply and cross-subsidization make industrial electricity tariffs in India relatively high compared to global competitors.
II. Inadequate port infrastructure and slow turnaround times increase the overall cost of exporting manufactured goods.
III. Industrial corridors completely bypass major infrastructure investments in favor of direct rural subsidies.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

46. To facilitate ease of doing business and encourage entrepreneurship, the Rajasthan Government enacted the MSME (Facilitation of Establishment and Operation) Act in 2019. What is a key feature of this Act?
(A) Permanent exemption from corporate income tax for all newly registered enterprises
(B) Mandatory requirement for enterprises to export fifty percent of total annual output
(C) Temporary exemption from state law inspections and approvals for a period of three years
(D) Full government wage subsidy support for all shop floor manufacturing employees

47. National Investment and Manufacturing Zones (NIMZs) were an important policy instrument conceived under which industrial initiative?
(A) Pradhan Mantri Kisan Sampada Scheme
(B) National Manufacturing Policy 2011
(C) Electronic National Agriculture Market
(D) Pradhan Mantri Fasal Bima Insurance

48. Non-institutional sources of agricultural credit have historically been exploitative. Which of the following best represents a non-institutional source of agricultural credit?
(A) Primary Agricultural Credit Societies (PACS)
(B) Regional Rural Banks (RRBs)
(C) Small Finance Banks
(D) Local Moneylenders and Commission Agents

49. Consider the following statements regarding the debate surrounding farm loan waivers in India:
I. Proponents argue they provide immediate

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relief to distressed farmers facing consecutive crop failures.
II. Critics argue they lead to a moral hazard, where even farmers capable of repaying default in anticipation of future waivers.
III. They consume significant fiscal space of state governments, often reducing capital expenditure in agriculture infrastructure.
IV. They are generally celebrated by the Reserve Bank of India as a tool to strengthen the balance sheets of commercial banks.

Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I, II and III only
(D) I, III and IV only

50. What is a primary condition for a state mandi to be successfully integrated with the e-NAM platform?
(A) The mandi must restrict market transactions strictly to certified organic produce options
(B) The state must completely repeal its APMC legislation and eliminate all market regulation
(C) The state APMC Act must allow e-trading, single-point levies, and unified state licenses
(D) The mandi must require all financial trade settlements to occur in foreign currency units

51. The "Yield Gap" between India and global agricultural leaders is often attributed to several factors. Which of the following is NOT generally a factor contributing to this low productivity issue?
(A) Excessive land holding size allowing massive economies of scale
(B) Low adoption of high-yielding varieties and modern technology by marginal farmers
(C) Dependence on rainfed agriculture and inadequate irrigation coverage
(D) Imbalanced use of chemical fertilizers and deteriorating soil health

52. Which of the following is NOT one of the five core pillars of the Atmanirbhar Bharat Abhiyan as outlined in 2020?
(A) Economy focused on quantum jumps rather than incremental growth
(B) Infrastructure representing modern and technological advances
(C) System driven by digital technology and modern logistics
(D) Absolute isolationism involving complete bans on foreign trade

53. Under the revised composite criteria for defining MSMEs, both investment and annual turnover are considered. What is the maximum annual turnover limit for an enterprise to be classified as a "Micro" enterprise?
(A) Rs 1 Crore
(B) Rs 5 Crore
(C) Rs 50 Crore
(D) Rs 250 Crore

54. The Kisan Credit Card (KCC) scheme provides interest subvention to promote prompt repayment. If a farmer repays the short-term crop loan (up to Rs 3 lakh) promptly within the due date, what is the effective interest rate borne by the farmer?
(A) 9 percent
(B) 7 percent
(C) 4 percent
(D) 0 percent

55. A significant issue in Indian industry is its inability to effectively compete globally due to infrastructure bottlenecks. What term is commonly used to describe the additional costs incurred by industries due to unreliable power, poor roads, and delays at ports?
(A) Demographic dividend liabilities
(B) High capital-output ratio costs
(C) Interest rate subvention costs
(D) Logistics and transaction costs

56. Foreign Direct Investment (FDI) plays a crucial role in modernizing industry. In the Indian defense sector, FDI up to what limit is currently allowed through the automatic route for companies seeking new industrial licenses?
(A) 26 percent
(B) 49 percent
(C) 74 percent
(D) 100 percent

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57. Which of the following banks/institutions actively participates in the issuance and operation of the Kisan Credit Card (KCC) scheme?
(A) Commercial Banks
(B) Regional Rural Banks (RRBs)
(C) Cooperative Banks
(D) All of the above

58. The e-NAM platform seeks to revolutionize agricultural markets by improving "price

discovery." What does price discovery mean in this context?
(A) Government fixation of static, non-negotiable floor prices for all farm products
(B) Determination of spot prices via transparent, competitive electronic bidding
(C) Legal mandate forcing farmers to disclose complete crop production expenditures
(D) Periodic publication of local retail food prices across national daily newspapers

59. Land consolidation refers to the reallocation of fragmented land parcels into a single contiguous block. Which of the following is a direct expected benefit of successful land consolidation?
(A) Improved farm mechanization and efficient irrigation management
(B) Continuous expansion in the absolute count of marginal farmers
(C) Substantial reduction in total available cultivable land area
(D) Complete elimination of operational credit needs for households

60. PM-KISAN provides direct income support of Rs 6,000 per year. How is this amount disbursed to the eligible farmer families?
(A) In a single lump sum payment of Rs 6,000 at the beginning of the Kharif season.
(B) In two equal installments of Rs 3,000 each.
(C) In three equal four-monthly installments of Rs 2,000 each.
(D) In twelve monthly installments of Rs 500 each.

61. The Index of Industrial Production (IIP) is a key metric for evaluating the growth status of various industry sectors in India. What is the current base year used for calculating the IIP?
(A) 2004-05
(B) 2011-12
(C) 2015-16
(D) 2019-20

62. The "Skill India Mission" aims to link skill development with industrial requirements. Which flagship scheme under this mission provides short-term skill training to youth and aligns them with industry-relevant roles?
(A) Pradhan Mantri Garib Kalyan Yojana
(B) Pradhan Mantri Shram Yogi Maandhan
(C) Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
(D) Mahatma Gandhi National Rural Employment Guarantee Act

63. To address the issue of collateral requirements that prevent MSMEs from accessing institutional credit, the Government of India established a specific trust fund. What is its name?
(A) National Investment and Infrastructure Fund Corporation
(B) Credit Guarantee Fund Trust for Micro and Small Enterprises
(C) Sovereign Wealth Fund and Strategic Investment Agency
(D) Agriculture Infrastructure Development Fund Corporation

64. The Dedicated Freight Corridors (DFCs) are critical for industrial growth as they reduce logistics costs. The Delhi-Mumbai Industrial Corridor (DMIC) is primarily aligned with which of the following?
(A) Eastern Dedicated Freight Corridor
(B) Western Dedicated Freight Corridor
(C) North-South Dedicated Freight Corridor
(D) East Coast Economic Corridor

65. The term "Dwarfism" in Indian industry refers to which phenomenon?
(A) Firms remaining small in employment and turnover to avoid regulatory compliance
(B) Industrial plants remaining physically smaller compared to international standards
(C) A rapid and persistent decline in new entrepreneurial start-ups across sectors
(D) Exclusive operational reliance on temporary short-term seasonal labor contracts

66. A key reform under the e-NAM initiative is the establishment of "Assaying Labs" in mandis. What is the fundamental purpose of these labs?
(A) To compute state market fees and trading levies electronically
(B) To evaluate soil nutrient health of farm plots before planting
(C) To grade crop quality parameters enabling remote electronic bidding
(D) To screen local markets for illegal genetically modified seed lots

67. Which of the following statements regarding the Pradhan Mantri Fasal Bima Yojana (PMFBY) is INCORRECT?
(A) The scheme is completely mandatory for all farmers, including non-loanee farmers.
(B) It provides comprehensive insurance cover

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against failure of the crop, thus helping stabilize farmer incomes.
(C) It covers post-harvest losses for a specified period for crops kept in the field to dry.
(D) It encourages the use of technology like smartphones and remote sensing for quick estimation of crop losses.

68. The debate over agricultural marketing reforms in India highlighted various regulatory approaches. One of the primary objectives of the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 was:
(A) To declare APMC mandis unlawful and enforce immediate shutdown across all regions
(B) To mandate legal price guarantees for all agricultural crop purchases by private buyers
(C) To nationalize agricultural trade and restrict private enterprise participation in markets
(D) To enable choice for buyers and sellers trading outside physical APMC mandi yards

69. For MSMEs, prompt realization of receivables is a major issue impacting their working capital. Which platform was introduced by the RBI to facilitate the discounting of trade receivables of MSMEs from corporate and other buyers?
(A) e-Kuber (Core Banking Solution Platform)
(B) TReDS (Trade Receivables Discounting System)
(C) NEFT (National Electronic Funds Transfer)
(D) Udyam Assist Portal (MSME Support Network)

70. A major critique of the agriculture sector's status in India is its low productivity. What is the fundamental mechanism by which land fragmentation directly reduces agricultural productivity?
(A) It forces farmers to prioritize cash crop production over essential food staple crops
(B) It automatically invalidates government minimum support price guarantees for small plots
(C) It renders farm mechanization, modern irrigation, and economies of scale unviable
(D) It excessively elevates soil organic content levels, causing widespread crop damage

71. What is the maximum limit for collateral-free agriculture loans provided under the Kisan Credit Card (KCC) scheme, as revised by the RBI?
(A) Rs 50,000
(B) Rs 1.0 Lakh
(C) Rs 1.6 Lakh
(D) Rs 3.0 Lakh

72. To streamline the MSME sector's regulatory compliance, the Udyam Registration portal is fully integrated with which of the following government databases?
(A) Income Tax and GSTIN identification networks
(B) Central PM-KISAN rural beneficiary database
(C) Electoral Photo Identity Card voter database
(D) MGNREGA national job cardholder registry

73. Which of the following is NOT an intended feature of the 'Atmanirbhar Bharat' strategy?
(A) Promoting regional domestic products to global markets under Vocal for Local
(B) Restoring pre-1991 protectionist policy with permanent import tariff barriers
(C) Expanding direct foreign investments across strategic key industrial sectors
(D) Reforming agricultural supply chains while strengthening national financial systems

74. How does the Production Linked Incentive (PLI) scheme primarily disburse financial incentives to eligible manufacturing companies?
(A) By offering percentage incentives on incremental sales of domestic goods
(B) By granting upfront cash subsidies prior to industrial plant construction
(C) By providing full corporate income tax exemptions across ten fiscal years
(D) By reimbursing total land acquisition expenses incurred by manufacturing firms

75. The "Make in India" program explicitly aims to address infrastructure bottlenecks. What term describes a geographically clustered, comprehensive infrastructure setup with dedicated zones for manufacturing, designed to attract global investment?
(A) Primary Agricultural Credit Cooperatives
(B) Regional Krishi Vigyan Development Centers
(C) Special Economic and Manufacturing Zones
(D) Consumer Dispute Settlement Commissions

76. In which year was the "Make in India" initiative formally launched by the Government of India?
(A) 2011

(B) 2014
(C) 2017
(D) 2020

77. The Gross Capital Formation (GCF) in agriculture is a key indicator of the sector's health. A declining trend in public sector GCF in agriculture indicates:
(A) Escalating public expenditure towards major irrigation projects and agricultural research
(B) Comprehensive policy transitions toward full privatization of all arable farm land
(C) Reaching peak agricultural productivity levels eliminating further public capital needs
(D) Shifting public funds from long-term asset creation toward short-term input subsidies

78. Which of the following parameters was NOT part of the 10 indicators used to calculate the World Bank's Ease of Doing Business score?
(A) Registering Real Property
(B) Paying Corporate Taxes
(C) Organizing Labor Strikes
(D) Enforcing Contract Claims

79. The PM-KISAN scheme defines a "family" for the purpose of identifying beneficiaries. According to the scheme guidelines, who constitutes a family?
(A) A joint family living under one roof, irrespective of age or marital status.
(B) Husband, wife, and their minor children.
(C) Any group of individuals sharing a common ration card.
(D) An adult male, his parents, and his unmarried sisters.

80. The amendment of the Apprentices Act, 1961 was a significant step under the Skill India initiative. What was the primary objective of this amendment in the context of industry needs?
(A) To prohibit industrial firms from engaging apprentices in production facilities
(B) To mandate senior management level remuneration packages for all apprentices
(C) To transfer total financial costs of training programs to state governments
(D) To offer flexibility for firms engaging youth to bridge industry skill gaps

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ANSWERS

1. (A) The sector's share in GDP has been steadily declining, yet it continues to employ the largest share of the workforce.
The Indian agricultural sector demonstrates a structural imbalance within the macroeconomic framework of the country. Over recent decades, its relative contribution to the national Gross Domestic Product has steadily diminished due to rapid expansion in services and industry. However, agriculture remains the single largest employer, retaining over forty percent of the total national workforce.

2. (C) P-2, Q-4, R-1, S-3
PM-KISAN provides direct income support of Rs 6,000 annually. PMFBY offers yield-based crop insurance coverage for non-preventable risks. e-NAM functions as a unified pan-India electronic trading portal for farm produce. The Kisan Credit Card scheme supplies short-term institutional credit. These programs collectively strengthen agricultural sustainability and enhance overall financial security for Indian farming communities.

3. (A) Rajasthan's average holding size is significantly higher (approx 2.73 hectares) than the national average (approx 1.08 hectares).
According to the official Agriculture Census 2015-16 data, the national average size of operational land holdings in India stands at approximately 1.08 hectares. In contrast, Rajasthan possesses a substantially larger average operational holding size of approximately 2.73 hectares, largely owing to its vast arid geographic area, unique land distribution patterns, and sparse population density.

4. (D) I, II and III
The manufacturing sector's contribution to national economic output has hovered around fifteen to seventeen percent for three decades. Premature deindustrialization occurred as economic growth bypassed manufacturing to rely heavily on services. Furthermore, structural challenges, including intricate regulatory compliance burdens, inefficient infrastructure, and high logistics costs, continuously restricted industrial expansion and limited formal employment generation.

5. (B) Farmer families where one or more of its members are former or present Members of Parliament
PM-KISAN incorporates specific exclusion criteria to ensure targeted delivery of financial benefit to needy rural households. Constitutional post holders, present or former ministers, Members of Parliament, Members of Legislative Assemblies, institutional landholders, and high-income taxpayers are excluded from receiving benefit payments. This structural design prioritizes resource allocation towards economically vulnerable small and marginal households.

6. (C) Assertion (A) is true but Reason (R) is false.
Production Linked Incentive schemes aim to enhance domestic manufacturing capacities and drive export growth by incentivizing local output. However, incentives are not provided as fixed capital subsidies for plant setup. Instead, financial payouts are calculated strictly based on incremental sales of manufactured goods over a base year. This performance-driven framework ensures efficient fiscal disbursements.

7. (D) 63rd
In the final Doing Business 2020 report published by the World Bank, India secured the 63rd rank globally among 190 evaluated economies. This achievement marked a significant historic advancement from earlier rankings, driven by sustained administrative reforms, deregulation, digitized approval processes, reduced compliance turnaround times, and structural improvements in business operational regulatory framework metrics.

8. (A) 3, 1, 2
Under the revised MSME classification framework implemented in July 2020, composite thresholds of investment and turnover were adopted. Micro enterprises have investment limits up to one crore rupees. Small enterprises permit investment up to ten crore rupees. Medium enterprises allow investment up to fifty crore rupees. Arranging

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these categories in ascending order yields this sequence.

9. (B) Unequal bargaining power leading to potential exploitation by corporate sponsors
Contract farming connects smallholders with agricultural agribusinesses to mitigate market volatility. However, small and marginal farmers often suffer from a severe imbalance in economic power when negotiating contracts with large corporate entities. This structural disparity can result in unfair pricing clauses, arbitrary crop rejection based on quality parameters, delayed payments, and legal vulnerability.

10. (B) To provide an online, paperless, zero-cost self-declaration registration process for MSMEs
The Udyam Registration portal was instituted by the government in July 2020 to streamline formalization within the micro, small, and medium enterprise sector. It provides an entirely online, paperless, self-declaration system based on Aadhaar and PAN verification without requiring physical documentation or registration fees. This platform seamlessly generates a unique permanent identification certificate.

11. (A) I, II and III only
Under PMFBY, farmer premium contributions are capped at two percent for Kharif food and oilseed crops, one and a half percent for Rabi food and oilseed crops, and five percent for annual commercial and horticultural crops. The remaining actuarial premium balance is shared equally on a fifty-fifty basis between the Central Government and respective State Governments.

12. (C) From roughly 14-18 percent down to single digits around 8-9 percent
The National Logistics Policy introduced in 2022 sets a strategic benchmark to reduce national logistics expenses from approximately fourteen to eighteen percent of Gross Domestic Product down to single-digit targets around eight to nine percent. Lowering transport bottlenecks, administrative delays, and inventory holding costs enhances global export competitiveness and fosters seamless domestic value chain integration.

13. (D) P-2, Q-1, R-4, S-3
DMIC heavily traverses Rajasthan through key manufacturing nodes such as Khushkhera-Bhiwadi-Neemrana. AKIC aligns closely with the Eastern Dedicated Freight Corridor to link northern and eastern industrial hubs. CBIC aims to transform the southern peninsula into a global manufacturing center. VCIC forms an integral strategic segment of the broader East Coast Economic Corridor infrastructure project.

14. (C) Purchase of heavy earth-moving machinery for commercial mining operations
The Kisan Credit Card scheme provides comprehensive institutional short-term credit to meet production needs, post-harvest expenses, marketing loans, household consumption requirements, maintenance of farm assets, and working capital for allied activities. However, credit limits under this agricultural scheme explicitly exclude non-agricultural commercial enterprises such as heavy machinery purchases for commercial mining operations nationwide.

15. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Under the Constitutional division of powers in India, agriculture and agricultural marketing fall under State legislative purview. Physical wholesale market yards are governed by individual state APMC statutes. Consequently, establishing the electronic National Agriculture Market platform required participating state governments to enact statutory amendments in their APMC legislation to permit unified electronic trading.

NODIA

16. (A) 1 - 4 - 2 - 3
The chronological timeline begins with Make in India launched in September 2014 to promote manufacturing. The National Agriculture Market portal was introduced next in April 2016 to facilitate electronic farm commodity trading. PM-KISAN followed with its launch in February 2019 to deliver direct income support. Finally, Atmanirbhar Bharat Abhiyan was announced in May 2020.

17. (A) The gap between actual crop yields realized by farmers and potential ideal yields
In agricultural economics, the term yield gap describes the quantifiable numerical difference between the actual crop productivity realized by farmers on their fields and the maximum achievable potential yield determined under controlled research conditions or optimal farming practices. Narrowing this structural yield gap

through extension services, improved inputs, and technology boosts total farm output.

18. (C) It created market fragmentation, high entry barriers, multiple fees, and trader cartelization
The traditional APMC market system suffered from structural inefficiencies that constrained agricultural commerce. Mandi monopolies created spatial market fragmentation, limited geographical access, imposed high entry barriers for new buyers, leveraged multiple market levies and commissions, and enabled trader cartelization. These barriers frequently suppressed farm gate prices and reduced net financial realizations for producers.

19. (A) To increase the share of manufacturing in GDP to 25 percent and create 100 million jobs by 2022.
The National Manufacturing Policy introduced in 2011 established ambitious long-term macroeconomic targets to revitalize the industrial sector. It specifically aimed to increase the manufacturing sector's share in national Gross Domestic Product to twenty-five percent and generate one hundred million additional formal jobs within a decade. It also proposed integrated industrial zones for output expansion.

20. (B) II and III only
Atmanirbhar Bharat Abhiyan does not represent protectionist isolationism or total closure to international trade. Instead, it focuses on building self-reliance by enhancing local manufacturing resilience, integrating domestic supply chains, promoting competitive export substitution, and expanding technological capabilities. The initiative incorporated expansive stimulus packages addressing structural reforms across micro enterprises, agricultural infrastructure, labor, and liquidity.

21. (B) The Code on Corporate Social Responsibility
The Central Government consolidated twenty-nine existing central labor enactments into four streamlined statutory Labour Codes to simplify compliance and modernize industrial relations. These four codes comprise the Code on Wages, the Industrial Relations Code, the Code on Social Security, and the Occupational Safety, Health and Working Conditions Code. No separate code for CSR exists.

22. (D) 100 percent
Under the liberalized Foreign Direct Investment policy guidelines, one hundred percent foreign investment is permitted under the automatic route for greenfield medical devices manufacturing as well as most electronic system design and component manufacturing activities. This policy framework eliminates pre-approval requirements, thereby attracting global capital, advanced technological transfer, and modern industrial growth capabilities.

23. (D) P-1, Q-2, R-3, S-4
The Code on Wages standardizes minimum payment rules for all workers. The Industrial Relations Code regulates trade union recognition and industrial dispute settlement. The Code on Social Security extends provident fund, insurance, and maternity benefits to gig and platform workers. The Occupational Safety, Health and Working Conditions Code consolidates workplace environment safety standards universally.

24. (A) Agriculture shows weather-driven volatility, while industry follows macroeconomic demand cycles.
Macroeconomic trends in India show that agricultural growth exhibits pronounced year-to-year volatility, primarily driven by monsoonal fluctuations, rainfall distribution, and natural climatic occurrences affecting rainfed farming regions. Conversely, industrial output trajectory follows broader economic business cycles, capital expenditure patterns, monetary credit expansion, consumer market demand, and international trade conditions, leading to distinct sector behavior.

25. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Central bank authorities and financial economists routinely critique broad farm loan waivers due to their long-term systemic impact on credit markets. Blanket debt write-offs induce severe moral hazard by disincentivizing timely loan repayments even among solvent borrowers, thereby eroding credit discipline, deteriorating bank balance sheets, and reducing future institutional credit availability across rural networks.

26. (C) 39 percent
The Delhi-Mumbai Industrial Corridor represents a mega-infrastructure project spanning six major

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Indian states. Approximately thirty-nine percent of its total length and geographical influence area passes directly through Rajasthan. This strategic positioning provides the state with significant economic opportunities to develop manufacturing nodes, smart industrial cities, logistics hubs, and freight infrastructure along the freight corridor.

27. (A) I, II and III only
The World Bank's Ease of Doing Business framework evaluated domestic regulatory environments using ten standardized quantitative indicators. These parameters included starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. Foreign policy affairs were excluded from this index.

28. (A) 3, 2, 1, 4
The operational sequence of PMFBY initiates when the State Government notifies eligible crops and geographic insurance areas. Farmers then pay their designated premium share during enrollment before the cut-off date. Later, if a localized natural calamity occurs or end-of-season yield estimation shows losses, insurance agencies assess claims and transfer settlements directly into bank accounts.

29. (D) Complete nationalization of all heavy industrial manufacturing firms
Make in India relies on four foundational pillars designed to foster manufacturing growth and investment. These pillars comprise New Processes to simplify regulatory compliance, New Infrastructure to develop dedicated industrial corridors, New Sectors to liberalize FDI in strategic fields, and New Mindset to position government as a facilitator. Mandatory nationalization was never an objective.

30. (C) National Council for Vocational Education and Training (NCVET)
The National Council for Vocational Education and Training functions as the overarching regulatory body for vocational education, skill development, and technical training in India. Established to merge existing regulatory authorities, NCVET sets operational standards, approves awarding bodies, certifies training centers, and aligns skill development frameworks with dynamic industrial manpower requirements across domestic economic sectors.

31. (B) P-1, Q-3, R-2, S-4
Specific agricultural sub-sectors like floriculture and seed development permit one hundred percent FDI under automatic approval. Multi-brand retail trading allows up to fifty-one percent FDI subject to government route approval and local sourcing conditions. Defence manufacturing allows up to seventy-four percent FDI under the automatic route. E-commerce marketplace models allow one hundred percent FDI.

32. (D) Manufacturing has failed to generate labor-intensive jobs for surplus labor
The Lewis structural transformation model posits that economic growth shifts surplus labor from subsistence agriculture to modern high-productivity industry. In India, this structural transition has progressed slowly because the domestic manufacturing sector expanded along capital-intensive rather than labor-intensive trajectories. Consequently, manufacturing failed to create sufficient formal factory employment to absorb surplus farm labor resources.

33. (A) I and II only
According to official agricultural land holding classifications in India, marginal holdings refer to operational land parcels under one hectare, while small holdings encompass land sizes between one and two hectares. Semi-medium holdings are defined as operational land parcels ranging between two and four hectares, medium holdings span four to ten hectares, and large holdings exceed ten.

NODIA

34. (C) Assertion (A) is true but Reason (R) is false.
The MSME sector serves as a crucial engine for employment generation across India, standing second only to agriculture in overall workforce absorption. MSMEs are predominantly labor-intensive, relying on local manpower, indigenous operational techniques, and moderate capital expenditure. They do not depend on massive capital intensity or high foreign tech investments, making them labor absorptive.

35. (A) It is funded entirely (100%) by the Government of India.
A Central Sector Scheme is an administrative initiative fully financed (100%) by the Central Government through federal budget allocations.

Under PM-KISAN, the total financial outlay for direct benefit transfers to eligible agricultural households is provided entirely by the Centre. State governments participate primarily in beneficiary identification, land record verification, and administrative data compilation duties.

36. (A) 2 - 3 - 1
In the institutional structure of agricultural credit delivery in India, Commercial Banks account for the dominant share, providing roughly three-quarters of total institutional farm credit. Cooperative Banks hold the second-largest credit market share, followed by Regional Rural Banks. Arranging these institutional lenders in descending order of credit disbursement share yields this specific institutional ranking.

37. (B) Small Farmers Agribusiness Consortium (SFAC)
The Small Farmers Agribusiness Consortium functions as the designated lead promoter and implementing agency for the electronic National Agriculture Market under the aegis of the Ministry of Agriculture and Farmers' Welfare. SFAC manages software deployment, coordinates with state agricultural marketing boards, oversees private technology service providers, and drives institutional integration across participating APMC mandis.

38. (C) 2018
To establish an institutional framework for contract farming and facilitate direct agribusiness linkages, the Central Government formulated and released the Model Agricultural Produce and Livestock Contract Farming and Services Act in 2018. This model act sought to protect producers, encourage price stability, resolve contractual disputes, and promote private investment in post-harvest agricultural supply chains.

39. (A) I, II and IV only
Prior to recent labor law reforms, rigid statutory regulations discouraged firms from expanding workforce size beyond operational thresholds that triggered complex compliance burdens. This created enterprise dwarfism, where enterprises survived but deliberately remained small. To bypass restrictive lay-off norms and rising regulatory costs, industrial management routinely substituted labor with automated capital machinery options continuously.

40. (A) 33% of manufacturing GDP and 45% of total exports
Micro, small, and medium enterprises constitute a cornerstone of the Indian economic landscape. Historical macroeconomic data indicates that the MSME sector contributes approximately thirty-three percent to total manufacturing Gross Domestic Product and accounts for roughly forty-five percent of overall national export earnings, making it a critical driver of industrial output and international trade.

41. (B) Crop loss strictly due to theft or malicious damage by an individual
PMFBY offers crop insurance against non-preventable natural risks such as deficit rainfall, severe drought, widespread floods, pest infestations, localized post-harvest losses from unseasonal rains, and cyclone damage. However, damages resulting strictly from preventable human actions, such as theft, intentional domestic vandalism, malicious damage by individuals, or war risks, are explicitly excluded from insurance coverage.

42. (A) Agricultural Produce Market Committee
APMC expands to Agricultural Produce Market Committee, a state-constituted marketing board established under state legislation. APMCs were created to regulate wholesale agricultural trading, establish primary market yards, eliminate exploitative middleman practices, ensure transparent trade transactions, and protect farmers from arbitrary price deductions and immediate post-harvest distress sales across traditional agricultural mandi networks nationwide.

43. (C) Imposition of multiple mandi fees and levies across different market areas and state borders
Under traditional state APMC Acts, each market yard operated as an isolated geographical trading territory. The imposition of multiple mandi fees, licensing requirements, development cesses, and commission charges across different market areas and state boundaries led to severe agricultural market fragmentation. This regulatory design inflated transaction expenses and hampered free inter-state farm produce movement.

44. (D) Large-scale electronics manufacturing of phones and components
The Production Linked Incentive scheme was initially introduced targeting large-scale

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electronics manufacturing, particularly mobile phone production and specified electronic components. Launched to enhance domestic value addition, attract global supply chain investments, and minimize high electronic import dependencies, the scheme proved highly successful and was subsequently expanded to cover fourteen distinct strategic industrial manufacturing sectors.

45. (A) I and II only
Infrastructure deficits heavily constrain industrial growth in India. High industrial electricity tariffs resulting from cross-subsidization of agricultural and domestic power consumers, combined with grid unreliability, inflate production costs. Additionally, port congestion and prolonged cargo turnaround times increase transport costs for domestic exporters. Industrial corridors focus directly on industrial infrastructure rather than bypassing such investments.

46. (C) Temporary exemption from state law inspections and approvals for a period of three years
The Rajasthan MSME (Facilitation of Establishment and Operation) Act, 2019 was enacted to promote entrepreneurship by lowering regulatory compliance burdens. Under this legislation, new MSME units submitting an Acknowledgement Certificate are granted a three-year temporary exemption from inspections and pre-approvals required under various state laws, permitting uninterrupted commencement of business enterprise operations regionally.

47. (B) National Manufacturing Policy 2011
National Investment and Manufacturing Zones were conceived as a key statutory policy instrument under the National Manufacturing Policy of 2011. NIMZs were planned as large integrated industrial townships equipped with modern infrastructure, streamlined regulatory mechanisms, state-of-the-art logistics, and fiscal concessions aimed at elevating manufacturing output and generating employment opportunities across Indian industrial regions.

48. (D) Local Moneylenders and Commission Agents
Non-institutional credit sources operate outside official banking regulatory frameworks. Local moneylenders, traders, commission agents, and landlords represent non-institutional sources of agricultural credit. These informal lenders historically charge exorbitant interest rates, demand collateral without standardized documentation, and employ unfair recovery practices, leading to perpetual debt traps for vulnerable rural farming households across agrarian regions.

NODIA

49. (C) I, II and III only
Farm loan waivers offer rapid debt relief to agricultural households hit by natural calamities and crop failures. However, critics highlight that blanket waivers generate moral hazard, discouraging timely loan repayments among viable borrowers. Furthermore, waivers strain state fiscal budgets, curtailing public capital expenditure in long-term agricultural infrastructure. Central banking institutions consistently discourage routine waivers.

50. (C) The state APMC Act must allow e-trading, single-point levies, and unified state licenses
To enable physical mandis to integrate seamlessly into the e-NAM network, state governments must execute three mandatory regulatory prerequisites in their APMC statutes. These reforms require legal provisions for electronic trading platforms, single-point levy of market fees across the state, and issuance of unified single trading licenses valid across all state mandi yards.

51. (A) Excessive land holding size allowing massive economies of scale
The agricultural yield gap in India stems from structural constraints including widespread land fragmentation, reliance on rainfed cultivation, delayed technological adoption among smallholders, and unbalanced chemical fertilizer usage damaging soil health. Excessive land holding size enabling massive economies of scale does not exist in India; holdings are overwhelmingly small, restricting agricultural productivity gains.

52. (D) Absolute isolationism involving complete bans on foreign trade
The Atmanirbhar Bharat Abhiyan framework rests upon five core pillars: Economy aiming for quantum jumps, Infrastructure representing modern India, System driven by technology, Vibrant Demography, and Demand. The strategy emphasizes self-reliance, export competitiveness, and global supply chain integration. Complete economic isolationism or trade bans are

explicitly antithetical to its core policy economic objectives.

53. (B) Rs 5 Crore
Under the revised composite MSME definition implemented in July 2020, classification criteria incorporate both plant investment and annual turnover thresholds. A micro enterprise is defined as an entity with investment in plant and machinery not exceeding one crore rupees and an annual turnover limit not exceeding five crore rupees. Exceeding this upgrades enterprise status.

54. (C) 4 percent
Short-term crop loans provided through the Kisan Credit Card system carry a benchmark interest rate of seven percent due to a central interest subvention of two percent. When farmers repay their short-term agricultural credit promptly, an additional three percent prompt repayment incentive is granted, reducing the effective interest rate to four percent annually.

55. (D) Logistics and transaction costs
In industrial economics, financial burdens caused by infrastructure bottlenecks, power outages, port delays, complex clearances, and transport inefficiencies are categorized under logistics and transaction costs. These extra expenses inflate overall production costs for manufacturing units, reducing the price competitiveness of domestic products in international export markets compared to global industrial economic rivals.

56. (C) 74 percent
Under the revised defense FDI policy guidelines, foreign direct investment in the defense manufacturing sector is permitted up to seventy-four percent through the automatic route for companies seeking new industrial licenses. Investment beyond seventy-four percent up to one hundred percent remains open via the government approval route where advanced technology access is guaranteed.

57. (D) All of the above
The Kisan Credit Card scheme operates through a broad institutional network to extend timely credit to rural farmers. Public sector commercial banks, Regional Rural Banks, and Cooperative Banks actively participate in issuing KCC cards and disbursing short-term credit. This multi-agency delivery network ensures broad institutional access to agricultural credit across diverse rural regions.

58. (B) Determination of spot prices via transparent, competitive electronic bidding
Price discovery on the electronic National Agriculture Market refers to the market mechanism where spot commodity prices are determined dynamically through open, transparent, and competitive electronic bidding. By aggregating buyers and sellers on a single digital trading platform, price discovery eliminates non-transparent manual negotiations and reduces localized trader collusion across agricultural mandi markets.

59. (A) Improved farm mechanization and efficient irrigation management
Land consolidation involves reorganizing fragmented and scattered land parcels into unified contiguous operational holdings. By aggregating small plots into cohesive farming units, consolidation enables farmers to deploy modern agricultural machinery efficiently, construct optimized irrigation channels, lower operational travel time, reduce boundary disputes, and achieve economies of scale in farm output production management.

60. (C) In three equal four-monthly installments of Rs 2,000 each.
Under the PM-KISAN financial scheme, direct income support totaling six thousand rupees per year is transferred directly to the bank accounts of eligible beneficiary farmer families. This amount is disbursed in three equal installments of two thousand rupees each every four months, providing timely cash liquidity to meet farm input production expenses consistently.

61. (B) 2011-12
The Index of Industrial Production tracks short-term changes in the volume of industrial output in India across manufacturing, mining, and electricity sectors. The base year currently used by the National Statistical Office for calculating the IIP series is 2011-12, which replaced the earlier 2004-05 base year to reflect updated structural industrial economic realities.

62. (C) Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
Pradhan Mantri Kaushal Vikas Yojana represents the flagship skill certification scheme under the

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Skill India Mission implemented by the Ministry of Skill Development and Entrepreneurship. PMKVY offers free short-term skill training, assesses prior learning experience, provides industry-aligned certifications, and facilitates job placement support for youth to meet dynamic industrial economic manpower demands effectively.

63. (B) Credit Guarantee Fund Trust for Micro and Small Enterprises
To mitigate collateral requirements restricting institutional credit flow to micro and small enterprises, the Central Government and SIDBI established the Credit Guarantee Fund Trust for Micro and Small Enterprises. CGTMSE provides credit guarantees to financial institutions lending collateral-free credit to small businesses, thereby absorbing default risks and encouraging institutional credit access expansion nationwide.

64. (B) Western Dedicated Freight Corridor
The Delhi-Mumbai Industrial Corridor infrastructure project is physically and strategically aligned with the Western Dedicated Freight Corridor. This high-speed railway freight corridor connects Dadri in Uttar Pradesh to Jawaharlal Nehru Port near Mumbai, passing through Rajasthan and Gujarat. The alignment facilitates high-capacity industrial freight transportation, lowering transit delays and overall national logistics expenses.

65. (A) Firms remaining small in employment and turnover to avoid regulatory compliance
In Indian industrial analysis, the term enterprise dwarfism describes the phenomenon where manufacturing firms remain small in employee headcount and operational turnover throughout their lifecycle. Firms intentionally constrain operational growth to avoid falling under stringent statutory labor regulations, costly compliance mandates, and tax obligations triggered upon reaching specified higher employment size thresholds.

66. (C) To grade crop quality parameters enabling remote electronic bidding
Assaying laboratories in integrated mandis play a critical role in facilitating electronic trading under e-NAM. These specialized labs evaluate and certify physical crop quality parameters, moisture content, purity levels, and seed grading standards. Objective digital quality certification provides transparent specifications, giving remote buyers confidence to submit competitive online bids without physical lot inspection.

67. (A) The scheme is completely mandatory for all farmers, including non-loanee farmers.
Under updated policy guidelines, enrollment in PMFBY was made entirely voluntary for all farmers, including both loanee and non-loanee agricultural producers. The scheme provides broad crop insurance coverage against yield loss from natural risks, covers post-harvest losses for crops drying in fields, and utilizes advanced technologies like remote sensing for fast claim settlement.

68. (D) To enable choice for buyers and sellers trading outside physical APMC mandi yards
The Farmers' Produce Trade and Commerce Act, 2020 sought to create an alternative market channel alongside physical APMC mandis. It allowed farmers freedom of choice to sell agricultural produce directly to buyers outside notified market yards without paying mandi fees, thereby promoting barrier-free inter-state trade and fostering competitive market channels for agricultural producers.

69. (B) TReDS (Trade Receivables Discounting System)
The Trade Receivables Discounting System is an institutional electronic platform regulated by the Reserve Bank of India to resolve working capital delays faced by MSMEs. TReDS facilitates the discounting of trade receivables and trade bills of micro, small, and medium enterprises from corporate buyers through multiple competitive financiers, ensuring prompt institutional liquidity realization.

70. (C) It renders farm mechanization, modern irrigation, and economies of scale unviable
Land fragmentation divides land into tiny, geographically scattered plots. This spatial sub-division renders the adoption of modern farm machinery, tractor mechanization, efficient tubewell irrigation, and land development unviable. Furthermore, small fragment sizes increase operational traveling time, elevate input overheads, cause plot boundary wastage, and prevent farmers from achieving operational economies of scale.

NODIA

71. (C) Rs 1.6 Lakh
To facilitate hassle-free credit delivery to agricultural producers, the Reserve Bank of India raised the limit for collateral-free agricultural loans under the Kisan Credit Card scheme from one lakh rupees to one lakh sixty thousand rupees. This regulatory threshold allows small and marginal farmers to obtain short-term production credit without mortgaging agricultural land.

72. (A) Income Tax and GSTIN identification networks
The Udyam Registration portal operates as an integrated digital registration system for MSMEs. To ensure automated verification and eliminate fake paperwork, the portal is fully integrated with central Income Tax and Goods and Services Tax Network databases. Investment and turnover figures are pulled automatically from income tax returns and GST network filings seamlessly.

73. (B) Restoring pre-1991 protectionist policy with permanent import tariff barriers
The Atmanirbhar Bharat strategy aims to position India as an active participant in global supply chains through domestic manufacturing competitiveness, export promotion, foreign direct investment, and structural economic reforms. Reverting to pre-1991 autarkic policies or imposing permanent trade isolationism is not part of the vision, which balances self-reliance with global economic market integration.

74. (A) By offering percentage incentives on incremental sales of domestic goods
The Production Linked Incentive scheme operates as an output-based financial mechanism. Rather than providing upfront capital subsidies or general tax exemptions, PLI disburses financial incentives calculated as a designated percentage rate on incremental sales achieved over a baseline year for goods manufactured within domestic industrial production facilities nationwide across approved industrial target sectors.

75. (C) Special Economic and Manufacturing Zones
Special economic and industrial zones represent geographically demarkated clusters designed to overcome domestic infrastructure deficits and attract private foreign investment. These zones offer modern industrial infrastructure, plug-and-play manufacturing units, uninterrupted power utilities, streamlined customs procedures, and single-window clearances, fostering export-oriented manufacturing hubs and industrial growth clusters across key domestic trade corridors.

76. (B) 2014
The Make in India initiative was formally launched by the Government of India in September 2014. It was designed to transform the nation into a global design and manufacturing hub, encourage foreign direct investment, foster innovation, protect intellectual property, and build best-in-class industrial infrastructure across twenty-five major economic industrial manufacturing commercial target sectors.

77. (D) Shifting public funds from long-term asset creation toward short-term input subsidies
Gross Capital Formation in agriculture reflects public and private investment in long-term productive assets such as irrigation dams, rural roads, cold storage networks, and research facilities. A declining trend in public sector capital formation signifies that government expenditures are being diverted away from capital asset creation toward short-term input and revenue financial subsidies.

78. (C) Organizing Labor Strikes
The World Bank's Ease of Doing Business index measured corporate regulatory environments using ten standardized parameters: starting a business, construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. Organizing labor strikes was never an indicator in this global evaluation metric framework.

79. (B) Husband, wife, and their minor children.
For operational implementation of PM-KISAN, official guidelines define a beneficiary family as consisting of a husband, wife, and their minor children. Landholding records are verified against this defined family unit to determine eligibility and transfer direct income support payments into the designated bank account of the head of the beneficiary rural family.

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80. (D) To offer flexibility for firms engaging youth to bridge industry skill gaps

The amendment of the Apprentices Act, 1961 was undertaken to modernize apprenticeship training frameworks in India. The legislative changes offered manufacturing firms increased operational flexibility in hiring apprentices, removed rigid quota penalties, expanded eligible trades, and simplified compliance. This reform incentivized industries to engage young trainees, bridging skill gaps and creating technical manpower.

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CHAPTER 08

Service and Trade Sectors: Status, Issues and Initiatives

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1. In recent years, what is the approximate contribution of the services sector to India's Gross Domestic Product (GDP)?
(A) Less than 30 percent
(B) Between 35 and 45 percent
(C) Over 50 percent
(D) Exactly 75 percent

2. Which of the following best describes the historical structural transformation of the Indian economy compared to classic economic models?
(A) Services outpaced manufacturing, creating a service-led growth model.
(B) Manufacturing dominated economic output prior to services expansion.
(C) Agriculture retained the primary share of national economic output.
(D) Industry and agriculture grew evenly while services remained static.

3. Which of the following represents the correct sequence of sectors in descending order of their current share in India's Gross Domestic Product (GDP)?
(A) Agriculture → Industry → Services
(B) Services → Industry → Agriculture
(C) Industry → Services → Agriculture
(D) Services → Agriculture → Industry

4. The Indian IT and ITeS sector is globally recognized primarily due to its status as a:
(A) Global hub for high-tech domestic IT hardware manufacturing operations
(B) Primary international center for heavy industrial machinery design
(C) Major worldwide exporter of advanced agricultural technology systems
(D) Global business process outsourcing and software export hub

5. Consider the following statements regarding the IT and ITeS sector in India:
I. It is a major contributor to India's foreign exchange earnings.
II. It relies heavily on highly skilled human capital.
III. It generates massive employment for unskilled rural labor.
Which of the above statements is/are correct?
(A) I only
(B) I and II only
(C) II and III only
(D) I, II and III

6. The term "jobless growth" is frequently associated with certain segments of the services sector. What is the primary reason for this phenomenon?
(A) The sector relies heavily on informal labor unable to maintain sustained productivity.
(B) Growth is driven by capital-intensive, skilled sub-sectors absorbing limited labor.
(C) The sector faces prolonged economic recession despite high annual revenue growth.
(D) Government regulations strictly limit full-time hiring across major service firms.

7. In the context of India's export earnings, what does the abbreviation ITeS stand for?
(A) Internal Trade and Export Services
(B) Information Telecommunication and Electronic Systems
(C) International Tariff and Export Secretariat
(D) Information Technology enabled Services

8. The tourism sector in India, including regions like Rajasthan, is heavily promoted by policymakers primarily because it is:
(A) Employment-intensive and capable of absorbing diverse labor skill levels
(B) A capital-intensive industry reliant primarily on foreign infrastructure
(C) Operating entirely independently from private commercial investments
(D) Exempt by federal statute from paying any standard domestic taxes

9. Match List I with List II:

List I: Service Sub-Sectors
P. Tourism
Q. IT and ITeS
R. Retail
S. Real Estate
List II: Key Characteristics
1. Major global outsourcing hub
2. High informality and traditional operations
3. Employment-intensive foreign exchange earner
4. Subject to RERA regulatory reforms

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-1, S-3

10. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The tourism sector is a significant source of foreign exchange earnings for India.
Reason (R): International tourists spend in foreign currency on accommodation, travel, and local handicrafts.
Which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

11. The "Swadesh Darshan" scheme, introduced by the Government of India, is primarily aimed at:
(A) Subsidizing outbound international vacation travel for native citizens
(B) Privatizing historical national monuments and public heritage sites
(C) Providing complimentary international air passage to foreign visitors
(D) Developing theme-based tourist circuits across key regions in India

12. The "Incredible India" campaign was launched to promote India as a global tourist destination. Which Union Ministry spearheads this initiative?
(A) Ministry of External Affairs
(B) Ministry of Tourism
(C) Ministry of Culture
(D) Ministry of Commerce and Industry

13. Which of the following is an INCORRECT statement regarding the Swadesh Darshan scheme?
(A) It involves developing specialized tourist circuits.
(B) The Desert Circuit is one of the circuits aimed at states like Rajasthan.
(C) It is a centrally sponsored scheme funded entirely by state governments.
(D) It focuses on improving infrastructure and passenger facilities at tourist destinations.

14. In the financial services sector, the rapid expansion of 'Fintech' has primarily led to:
(A) A rapid systemic decrease across all forms of digital retail transactions
(B) The widespread institutional closure of traditional commercial banks
(C) A strict statutory ban on cross-border international monetary transfers
(D) Increased financial inclusion and seamless digital payment ecosystems

15. What is the core function of Mutual Funds within the financial services sector?
(A) To pool capital from investors to purchase a diversified portfolio of securities
(B) To print and issue official paper currency notes on behalf of the central bank
(C) To extend direct term life insurance cover to informal sector wage laborers
(D) To manage, hold, and regulate foreign currency reserves held by the treasury

16. Consider the following statements regarding the Insurance sector in India:
Statement I: The expansion of the insurance sector contributes significantly to financial deepening.
Statement II: The insurance sector relies solely on public sector companies with no private participation allowed.
Which of the following statements is/are correct?
(A) Both Statement I and Statement II are true.
(B) Both Statement I and Statement II are false.
(C) Statement I is true but Statement II is false.
(D) Statement I is false but Statement II is true.

17. The term 'financial deepening' in an economy generally refers to:
(A) The policy creation of exclusive offshore financial trade zones tailored for foreign institutional investors
(B) An increase in the provision of financial services with a wider choice of instruments
(C) The systematic liquidity reduction of total money supply managed directly by central monetary authorities

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(D) The gradual administrative elimination of all consumer digital banking channels across retail financial institutions

18. The "skill gap" issue in India's service sector is best defined as:
(A) Mismatch between skills demanded by industry and workforce skill sets
(B) Geographic distances separating premier higher education centers and IT hubs
(C) Total absence of basic functional literacy across service sector employees
(D) Gender-based disparity in employee wages paid across commercial industries

19. Institutions like the Rajasthan Skill and Livelihoods Development Corporation (RSLDC) operate under the broader umbrella of the Skill India Mission to primarily:
(A) Provide direct unemployment allowance to all graduates
(B) Relocate industrial workers to agricultural jobs
(C) Address the skilled manpower needs of various growing sectors
(D) Replace formal university education entirely with short-term courses

20. Consider the following statements regarding the causes of the skill gap in the service sector:
I. Outdated educational curricula that do not align with modern industry requirements.
II. Rapid technological advancements rendering existing skills obsolete.
III. Insufficient industry-academia collaboration.
IV. Over-emphasis on practical vocational training over theoretical degrees in traditional universities.
Which of the above statements is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and III only
(D) I, II, III and IV

21. Which sub-sector within the service economy accounts for the largest share of informal employment in India?
(A) IT and ITeS
(B) Commercial Banking and Insurance
(C) Retail trade and domestic work
(D) Aviation and Telecommunications

22. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The service sector in India exhibits a dual nature with a large segment characterized by high informality.
Reason (R): Sectors like street retail and domestic help operate predominantly without formal employment contracts or social security benefits.
Which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

23. Identify the odd one out in terms of employment formality within the service sector:
(A) A software engineer in a registered multinational IT firm
(B) A probationary officer in a public sector bank
(C) A permanent claims adjuster in an insurance corporation
(D) A street vendor selling fast food in a local market

24. Which of the following accurately describes the status of India's overall trade balance?
(A) Merchandise trade remains in deficit, whereas services trade maintains a surplus.
(B) Foreign trade balances consistently maintain structural surpluses across merchandise and services markets.
(C) Merchandise export trade maintains a surplus, whereas services import trade generates a chronic deficit.
(D) Foreign trade balances consistently experience structural deficits across merchandise and services sectors.

25. Consider the following statements regarding India's services trade:
I. IT and software services constitute a minor part of India's services exports.
II. The services trade surplus helps partially offset the merchandise trade deficit.
III. Remittances from Indians working abroad are considered part of the merchandise trade account.
Which of the above statements is/are incorrect?
(A) I only
(B) II only
(C) I and III only
(D) I, II and III

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9. (A) P-3, Q-1, R-2, S-4
Distinct service sub-sectors exhibit specific structural attributes within the national economy. Tourism acts as an employment-intensive foreign exchange earner. IT and ITeS function as a global outsourcing powerhouse. Retail trade traditionally experiences significant informality and decentralized operations. Meanwhile, Real Estate is regulated under statutory frameworks like the Real Estate Regulation and Development Act.

10. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Tourism serves as a major foreign exchange earner because inbound international travelers convert foreign currencies into domestic money to fund their trips. Expenditure incurred on hotel accommodation, regional transport, guided tours, dining, and local artisanal products directly boosts foreign exchange reserves, directly explaining why tourism provides significant balance-of-payments benefits to the host nation.

11. (D) Developing theme-based tourist circuits across key regions in India
The Swadesh Darshan scheme is a flagship central initiative designed to harness the economic potential of thematic tourism. It focuses on the integrated development of specialized tourist circuits, such as Heritage, Desert, Coastal, Spiritual, and Eco circuits, enhancing infrastructure, connectivity, and visitor amenities to promote domestic and international tourism across diverse geographic destinations.

12. (B) Ministry of Tourism
The "Incredible India" campaign is a landmark global branding initiative spearheaded directly by the Union Ministry of Tourism. Launched to project India as an attractive global destination, the campaign showcases the country's rich cultural heritage, natural diversity, historical monuments, and wellness traditions to encourage both international inbound travelers and domestic tourists.

13. (C) It is a centrally sponsored scheme funded entirely by state governments.
The Swadesh Darshan scheme is structured as a Central Sector Scheme rather than a state-funded program, meaning it receives 100 percent financial assistance directly from the Central Government of India. It aims to develop thematic tourist infrastructure, including circuits like the Desert Circuit, while improving facility standards, sanitation, and last-mile tourist connectivity across participating states.

14. (D) Increased financial inclusion and seamless digital payment ecosystems
Financial Technology, or Fintech, integrates advanced digital technology into monetary and banking operations. Its expansion has transformed the financial landscape by lowering transaction costs, widening access to credit and banking services in underserved areas, and enabling instantaneous digital payment architecture through platforms like UPI, thereby significantly driving national financial inclusion and digital adoption.

15. (A) To pool capital from investors to purchase a diversified portfolio of securities
Mutual funds operate as financial intermediaries that collect funds from individual and institutional investors sharing common financial objectives. The aggregated capital is professionally managed and invested across a diversified portfolio containing equities, corporate bonds, government treasury bills, and money market instruments, allowing smaller investors to reduce market risk while accessing capital market returns.

16. (C) Statement I is true but Statement II is false.
The insurance sector plays a vital role in financial deepening by mobilizing long-term household savings and converting them into investments for infrastructure and capital markets. While public corporations exist, private sector insurers have actively operated in the country since structural reforms opened the market, making the assumption of exclusive public sector control incorrect.

17. (B) An increase in the provision of financial services with a wider choice of instruments
Financial deepening refers to the growth, diversification, and maturity of an economy's financial system. It involves an increased ratio of financial assets to economic output, greater availability of institutional financial services, a wider variety of financial instruments, and broader access to capital, banking, insurance, and investment facilities across all segments of society.

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3. A framework periodically revised to guide the country's export-import trajectory
4. An earlier export promotion scheme that was phased out

(A) P-3, Q-2, R-1, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-3, R-4, S-1

34. The RoDTEP scheme operates primarily on the principle of remitting "embedded taxes". What does this mean?
(A) Refunding non-reimbursable taxes on fuel, power, and stamps consumed during export production
(B) Levying direct federal income taxes on the net annualized revenue of export corporations
(C) Enforcing new import border tariffs directly against foreign commercial buyers of goods
(D) Providing complete statutory exemptions from paying corporate taxes for export firms

35. The concept of "Ease of Doing Business" in the service sector heavily relies on digitizing governance. Which government initiative directly provides the digital infrastructure for this?
(A) Swachh Bharat Abhiyan
(B) Ayushman Bharat
(C) Digital India
(D) PM Kisan Samman Nidhi

36. Consider the following statements regarding 'Ease of Doing Business' reforms in states like Rajasthan:
I. Implementation of single-window clearance portals.
II. Simplification of labor law compliance.
III. Digitization of property registration.
IV. Mandatory physical inspection for all minor administrative approvals.
Which of the above statements is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) II, III and IV only
(D) I, III and IV only

37. Which of the following is NOT a characteristic feature of the Startup India initiative concerning the service sector?
(A) It encourages tech-enabled solutions in sectors like health, education, and finance.
(B) It provides tax exemptions for recognized startups for a certain period.
(C) It guarantees government jobs to the founders if the startup fails.
(D) It aims to foster a culture of innovation and entrepreneurship.

38. How is the 'Startup India' initiative primarily linked to the growth of the service sector?
(A) By directing central public funding strictly toward heavy steel manufacturing and metallurgical processing plants
(B) By encouraging technology-driven platform economies and service aggregators
(C) By systematically nationalizing all private commercial service sector enterprises and regional transport firms
(D) By restricting capital support exclusively to heavy agricultural machinery and rural irrigation equipment

39. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The Startup India initiative has significantly boosted the e-commerce and ed-tech segments of the service sector.
Reason (R): The initiative offers regulatory ease, funding support, and incubation facilities to new technology-driven ventures.
Which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

40. Which of the following is the most appropriate description of the primary focus of the Digital India campaign in relation to the services sector?
(A) Empowering society and knowledge economy through e-governance and digital services
(B) Distributing complimentary mobile smartphones directly to all permanent residents
(C) Replacing certified classroom teachers with automated artificial intelligence tools
(D) Requiring all domestic commercial retail transactions to use foreign currencies

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41. E-governance, a key pillar of Digital India, improves public service delivery primarily by:
(A) Expanding physical administrative government branch offices across all major metropolitan cities
(B) Restricting public information access and official portal transparency to protect state

foundational backbone of India's digital economy and e-commerce boom.

Statement II: A healthy and competitive telecom sector is essential for the successful implementation of Digital India initiatives.

Which of the following statements is/are correct?

(A) Both Statement I and Statement II are true.
(B) Both Statement I and Statement II are false.
(C) Statement I is true but Statement II is false.
(D) Statement I is false but Statement II is true.

74. In the context of economic growth, "jobless growth" in certain service sectors specifically indicates that:

(A) GDP contribution expands without proportional employment generation
(B) Comprehensive macroeconomic contraction where real national output declines severely across key sectors
(C) Structural labor market failure caused by total automation replacing all forms of human cognitive workforce
(D) Universal voluntary resignation of working-age adults across all public and private commercial sectors

75. Among the following, which service sub-sector is most susceptible to the criticism of generating "jobless growth" due to its highly specialized, capital-intensive nature?

(A) Tourism and Hospitality
(B) Retail Trade
(C) Construction and Real Estate
(D) IT and Financial Services

76. Conversely, which of the following service sectors is known for high employment intensity but generally lower per capita labor productivity due to informality?

(A) Wireless cellular telecommunications and satellite data networks
(B) Informal retail trade and domestic household service work
(C) High-end software architecture engineering and enterprise programming
(D) Commercial civil aviation transport and airport logistics systems

77. Which of the following correctly pairs the service sub-sector with its predominant growth trend or initiative in recent years?

(A) Retail Sector - Complete elimination of unorganized markets
(B) Real Estate Sector - Deregulation and abolition of all housing laws
(C) Logistics - Focus on cost reduction and multimodal connectivity
(D) IT Sector - Shift from digital services back to manual ledger keeping

78. In earlier foreign trade policies, what did MEIS stand for?

(A) Manufacturing and Export Incentive System
(B) Ministry of Export and Import Services
(C) Mutual Exchange of Indian Services
(D) Merchandise Exports from India Scheme

79. What is the most appropriate reason for the persistence of a large informal segment within India's service economy?

(A) Formal job growth lagged behind expanding labor supply from agriculture
(B) Formal industry generates abundant employment options, but jobseekers favor informal arrangements to evade direct taxation
(C) Statutory regulatory framework statutes strictly prohibit unorganized retail operations from transitioning to formal business status
(D) Central government trade regulations bar foreign direct capital investment from entering formal commercial service industries

80. Identify the odd one out from the following list of major government initiatives based on their primary association with the service sector:

(A) Startup India
(B) Make in India
(C) Digital India
(D) PM-JAY (Ayushman Bharat)

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engineering colleges and polytechnic centers
(D) Strict policy bans prohibiting distance learning and online university degree programs

50. Which of the following is an INCORRECT statement regarding the Ayushman Bharat scheme (PM-JAY)?
(A) Beneficiaries are strictly restricted to public government hospitals.
(B) Provides financial health protection up to ₹5 lakhs per family annually.
(C) Covers medical expenses for inpatient secondary and tertiary hospital care.
(D) Directs benefits to poor and vulnerable households identified by census data.

51. The explosive growth of 'Ed-tech' (Education Technology) services in India was primarily catalyzed by:
(A) Complete statutory bans restricting traditional face-to-face classroom teaching across schools
(B) Severe demographic declines in school-age youth populations across urban metropolitan regions
(C) Smartphone adoption, low-cost data, and remote learning growth
(D) Executive orders mandating all students to purchase modern personal laptop computers

52. Which of the following best describes the "platform economy" within the service sector?
(A) Traditional physical retail stores operating within local municipal neighborhood markets
(B) Heavy industrial manufacturing complexes designed on raised structural foundations
(C) Exclusive central government administrative monopolies controlling commercial trade distribution
(D) Digital frameworks connecting consumers, merchants, and gig workers

53. Consider the following statements regarding the impact of e-commerce on the service sector:
I. It has severely reduced the need for logistics and warehousing services.
II. It has created massive employment opportunities in last-mile delivery and supply chain management.
III. It relies heavily on digital payment infrastructure.
IV. It operates completely independently of the traditional transportation network.
Which of the above statements is/are incorrect?
(A) I and IV only
(B) II and III only
(C) I, II and IV only
(D) I and III only

54. The term "gig worker", which has gained prominence with the rise of e-commerce and service aggregators, refers to a worker who:
(A) Holds a permanent, tenured government civil service post with pension rights
(B) Works flexible, non-permanent jobs mediated through digital platforms
(C) Operates exclusively as a wage laborer within heavy industrial machinery plants
(D) Serves as a primary majority owner and chief executive of a multinational firm

55. A direct consequence of the rapid growth of the e-commerce sector is a surge in demand for which of the following ancillary services?
(A) Deep underground commercial coal mining operations
(B) Heavy industrial metal processing and metallurgy
(C) Traditional print newspaper and magazine advertising
(D) Logistics, warehousing, and delivery services

56. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The e-commerce sector relies heavily on a robust and efficient logistics network.
Reason (R): Timely and cost-effective delivery of goods is the core value proposition of online retail.
Which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

57. The National Logistics Policy (NLP) aims primarily to:
(A) Substantially increase commercial transportation toll costs to restrict unnecessary passenger highway travel
(B) Completely nationalize and centralize all private commercial trucking fleets operating across national highways
(C) Reduce national logistics costs relative to GDP to global benchmark levels

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26. Which specific service sub-sector is the largest contributor to India's services export earnings?
(A) Computer and Information Technology Services
(B) Commercial banking, wealth management, and retail financial services
(C) Hospitality, international heritage travel, and leisure tourism services
(D) Infrastructure development, engineering, and civil construction services

27. Identify the correct statement regarding India's Foreign Trade Policy (FTP).
(A) FTP is enacted on a fixed century-long cycle and strictly prohibits any interim policy amendments.
(B) FTP deals exclusively with regulating, monitoring, and tariffing the import of agricultural goods.
(C) FTP enforces a complete statutory ban prohibiting the export of all service-related products.
(D) FTP is revised periodically to adapt to dynamic global trade and boost export competitiveness.

28. What is the primary objective of introducing schemes like RoDTEP in India's trade policy framework?
(A) To impose significantly higher statutory tariff rates on all foreign imported electronic consumer goods
(B) To promote exports by refunding embedded central, state, and local taxes to exporters
(C) To severely restrict and strictly limit the commercial outflow of national foreign exchange reserves
(D) To monitor and regulate domestic market retail price ceilings for essential consumer commodities

29. Arrange the following steps in the standard logical sequence of an export facilitation cycle under the single-window system:
1. Customs clearance and duty payment
2. Registration with the single-window portal
3. Uploading of commercial documents (invoice, packing list)
4. Issuance of final clearance certificate (Let Export Order)

Which of the following is the correct sequence?
(A) 2, 3, 1, 4
(B) 1, 2, 3, 4
(C) 3, 1, 2, 4
(D) 2, 1, 3, 4

30. Which of the following is an INCORRECT statement about single-window clearances for trade facilitation?
(A) They aim to significantly lower compliance processing time and administrative operational costs for businesses.
(B) They represent a foundational core reform within the broader national 'Ease of Doing Business' framework.
(C) They enable digital submission of statutory regulatory documentation through a unified centralized portal.
(D) They mandate physical visits to multiple government offices sequentially.

31. In the context of India's export promotion initiatives, what does RoDTEP stand for?
(A) Remission of Duties and Taxes on Exported Products
(B) Refund of Domestic Tariffs on Exported Produce
(C) Regulation of Duties and Taxes on Electronic Products
(D) Restructuring of Direct Taxes for Export Promotion

32. Why did the Government of India replace the Merchandise Exports from India Scheme (MEIS) with the RoDTEP scheme?
(A) MEIS generated widespread domestic market price inflation across essential consumer commodities and services.
(B) MEIS was challenged for non-compliance with World Trade Organization trade rules.
(C) RoDTEP was specifically designed to disburse direct cash subsidies exclusively to small agricultural exporters.
(D) Exporters formally lobbied the central ministry to introduce higher corporate income tax assessment rates.

33. Match List I with List II:

List I: Trade and Business Terms
P. FTP
Q. RoDTEP
R. Single-window clearance
S. MEIS

List II: Descriptions
1. A mechanism to submit regulatory documents at one common platform
2. A scheme introduced to replace earlier export incentives, ensuring WTO compliance

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Q. TRAI
R. IRDAI
S. RBI

List II: Service Sector Regulated/Promoted

1. Telecommunications
2. Real Estate
3. Banking and Monetary Policy
4. Insurance

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

67. Under RERA guidelines, real estate developers are mandated to deposit a specific percentage of the funds collected from buyers into an escrow account. The main purpose of this is to:
(A) Accumulate commercial investment interest dedicated exclusively to funding the corporate developer's private expenditures
(B) Direct full upfront pre-payment of municipal property taxes and state licensing fees prior to break of ground
(C) Ensure capital is dedicated to constructing the designated housing project
(D) Facilitate direct overseas electronic wire transfers of collected capital into offshore foreign investor accounts

68. The post-2016 "data revolution" in India's telecom services sector was primarily triggered by:
(A) Statutory central government executive decrees enforcing a total nationwide ban against mobile voice calls
(B) Regulatory caps restricting personal internet data consumption across domestic telecommunications users
(C) Strategic policy decisions forcing cellular providers to abandon modern networks and rely on 2G equipment
(D) Entry of a disruptive operator offering affordable 4G data and triggering tariff wars

69. "Insurance penetration" is a key metric used to assess the growth of the financial services sector. It is defined as:
(A) The total census number of certified active insurance sales representatives operating within the country
(B) The statutory percentage share of equity capital held through foreign direct investment in domestic insurers
(C) The ratio of total insurance premiums written relative to national GDP
(D) The comparative mathematical ratio of active life insurance contracts relative to non-life policy policies

70. Consider the following statements regarding factors contributing to the growth of Banking and Insurance services:
I. Increasing financial literacy among the population.
II. Government initiatives for financial inclusion like PM Jan Dhan Yojana.
III. Digitization of banking services making access easier.
IV. High initial capital requirement acting as an entry barrier for new domestic private players.

Which of the above statements is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I and II only
(D) I, II, III and IV

71. A major consequence of the intense tariff war in the telecom sector over the last decade has been:
(A) Unprecedented statutory price hikes driving mobile data access costs higher for residential subscribers
(B) Severe market fragmentation splitting wireless telecommunications service across hundreds of small regional carriers
(C) Immediate structural corporate exit of all private sector commercial enterprises from the national telecom market
(D) Market consolidation into a small oligopoly of major service providers

72. Which of the following statements correctly identifies the paradox of India's service sector growth trajectory?
(A) The sector contributes more than half to the GDP but employs a disproportionately smaller fraction of the workforce.
(B) The sector exhibits high employment elasticity, employing the vast majority of the population, but its GDP contribution is negligible.
(C) The sector requires vast amounts of agricultural land to expand operations.
(D) The sector has grown entirely without the use of digital technology.

73. Consider the following statements:
Statement I: The telecom sector forms the

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(D) Statutory mandate enforcing exclusive reliance on state rail networks for all domestic freight transportation

58. Arrange the following stages of a commercial logistics and supply chain process in the correct logical sequence:
1. Last-mile distribution to retail/customer
2. Procurement of raw materials/goods
3. Warehousing and storage
4. Line-haul transportation

Which of the following is the correct sequence?
(A) 2, 3, 4, 1
(B) 2, 4, 3, 1
(C) 3, 2, 1, 4
(D) 4, 2, 3, 1

59. The Unified Logistics Interface Platform (ULIP) was launched to:
(A) Establish a unified digital booking service portal exclusively for domestic rail tourism reservations
(B) Statutory regulation setting baseline pay rates and minimum wage compensation for transport employees
(C) Impose a comprehensive statutory ban restricting foreign direct capital investments in logistics firms
(D) Integrate inter-ministerial logistics data for real-time tracking and visibility

60. Consider the following statements about the National Logistics Policy:
I. It aims to lower logistics costs to a single digit percentage of GDP.
II. It focuses on technology adoption and skill development in the logistics sector.
III. It promotes multimodal transport connectivity.

Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

61. In the retail service sector, "organized retail" is characterized by:
(A) Informal street vending, roadside stalls, and periodic rural weekly market arrangements
(B) Unregistered neighborhood mom-and-pop grocery stores relying entirely on informal cash transactions
(C) Corporate retailers with formal tax compliance and integrated supply chains
(D) Traditional moneyless barter trade networks operating outside formal national currency payment channels

62. Consider the following statements comparing organized and traditional (unorganized) retail:
Statement I: Organized retail accounts for a rapidly growing, but still smaller, share of total retail trade in India compared to traditional retail.
Statement II: Traditional retail usually benefits from massive economies of scale and direct bulk procurement from manufacturers.
Which of the following statements is/are correct?
(A) Both Statement I and Statement II are true.
(B) Both Statement I and Statement II are false.
(C) Statement I is true but Statement II is false.
(D) Statement I is false but Statement II is true.

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63. Which of the following is NOT a general characteristic of the unorganized retail sector in India?
(A) High degree of formal employee benefits like provident fund
(B) Low capital requirement for entry
(C) Personalized customer relationships and local credit systems
(D) Fragmented and decentralized supply chains

64. What does the acronym RERA stand for in the context of the real estate sector?
(A) Regional Economic Restructuring Act
(B) Real Estate Regulatory Authority
(C) Rural Estate Reconstruction Authority
(D) Retail and Estate Regulatory Agency

65. The primary objective behind the implementation of RERA (such as RajRERA in Rajasthan) was to:
(A) Systematically inflate market sales prices across urban high-rise residential apartment projects
(B) Enhance transparency, developer accountability, and homebuyer protections
(C) Expropriate and eliminate private real estate commercial housing developers from urban markets
(D) Reclassify and convert urban residential land parcels into low-density agricultural usage zones

66. Match List I with List II:
List I: Regulatory/Policy Body
P. RERA

ANSWERS

1. (C) Over 50 percent
India's services sector has grown rapidly over the past few decades, becoming the dominant driver of economic expansion. Currently, it contributes more than 50 percent to the nation's Gross Domestic Product. This sector encompasses diverse industries, including information technology, telecommunications, financial services, real estate, professional consulting, trade, transport, and tourism, propelling modern economic transformation.

2. (A) Services outpaced manufacturing, creating a service-led growth model.
Classic economic models suggest that structural transformation occurs sequentially, moving from agriculture to industrial manufacturing, and finally to services. In contrast, the Indian economy underwent a unique transition by leapfrogging the manufacturing-dominated phase. Services expanded rapidly to become the main economic driver, establishing a tertiary-led growth trajectory that distinguishes India from traditional economic development patterns worldwide.

3. (B) Services → Industry → Agriculture
The macroeconomic composition of India's GDP reflects a clear hierarchy among economic sectors. The tertiary or services sector generates the highest share of output, contributing over half of total GDP. The secondary or industrial sector holds the second-largest position, while the primary sector, comprising agriculture and allied activities, accounts for the smallest share of national output.

4. (D) Global business process outsourcing and software export hub
India's Information Technology and Information Technology Enabled Services sector has earned global prominence due to its competitive software engineering capabilities and cost-effective business process outsourcing services. The nation serves as a major hub for international corporations seeking enterprise software development, IT maintenance, technical support, data management, and client operations, establishing strong international market leadership.

5. (B) I and II only
The Information Technology and Information Technology Enabled Services sector serves as a pivotal source of foreign exchange earnings for India through global software exports and cross-border services. This domain depends heavily on highly educated, skilled professionals such as engineers and software architects. However, it requires technical expertise and does not absorb unskilled rural manual labor.

6. (B) Growth is driven by capital-intensive, skilled sub-sectors absorbing limited labor.
Jobless growth in modern service sectors occurs because economic output is predominantly driven by high-value, technology-driven, and capital-intensive industries such as software development, fintech, and advanced corporate consulting. These sub-sectors achieve substantial financial expansion and revenue generation while requiring specialized, highly skilled workforces, thereby restricting their capacity to absorb vast amounts of low-skilled labor.

7. (D) Information Technology enabled Services
Information Technology enabled Services refers to business operations and processes delivered using information technology infrastructure. This domain encompasses a wide range of outsourced services, including customer support, call centers, back-office administration, medical transcription, knowledge process outsourcing, and financial data processing, playing a crucial role in expanding service exports and creating skilled employment opportunities.

8. (A) Employment-intensive and capable of absorbing diverse labor skill levels
Tourism is heavily promoted by economic planners because it possesses high employment elasticity, generating direct and indirect jobs across multiple ancillary segments. The sector supports individuals with varied skill profiles, from hospitality management and tour operators to local transport drivers, artisans, and informal service providers, contributing significantly to regional income generation and rural livelihoods.

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administrative data
(C) Minimizing human interaction to reduce corruption and shorten processing times
(D) Mandating paper-based record archives across public institutions to eliminate cyber security risks

42. Which of the following represents the correct evolutionary sequence of digital payment systems in India driving the financial services boom?
(A) NEFT/RTGS → Paper Cheques → UPI → CBDC (e-Rupee)
(B) Paper Cheques → NEFT/RTGS → UPI → CBDC (e-Rupee)
(C) UPI → CBDC (e-Rupee) → Paper Cheques → NEFT/RTGS
(D) Paper Cheques → UPI → NEFT/RTGS → CBDC (e-Rupee)

43. Consider the following statements regarding the core pillars of Digital India:
I. Creation of digital infrastructure as a core utility to every citizen.
II. Governance and services on demand.
III. Complete privatization of all public sector banks.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

44. The phenomenon where India's economic growth was predominantly driven by services, seemingly bypassing the traditional phase of mass manufacturing growth, is known as:
(A) Prolonged industrial manufacturing stagnation
(B) Leapfrogging structural transformation
(C) Continuous agricultural production regression
(D) Uncontrolled international capital outflow

45. Consider the following statements:
Statement I: The service sector in India has historically outpaced both agriculture and industry in terms of growth rate.
Statement II: Despite its high share in GDP, the service sector's share in total employment is proportionately lower, indicating high labor productivity in formal segments.
Which of the following statements is/are correct?
(A) Both Statement I and Statement II are true.
(B) Both Statement I and Statement II are false.
(C) Statement I is true but Statement II is false.
(D) Statement I is false but Statement II is true.

46. The rapid expansion of India's services sector gained major momentum during which structural shift in the economy?
(A) Statutory federal nationalization of major commercial banking institutions during 1969
(B) Formulate and execute state development targets under the First Five Year Plan in 1951
(C) Nationwide adoption of high-yielding agricultural crops during the Green Revolution
(D) Economic liberalization and globalization reforms implemented in 1991

47. Ayushman Bharat acts as a "demand-side stimulus" for the healthcare services sector because it:
(A) Provides healthcare coverage to low-income families, boosting medical services demand
(B) Allocates direct central budgetary grants for constructing luxury private hospitals
(C) Mandates private medical practitioners to provide free care without state subsidies
(D) Directs public pharmaceutical enterprises to manufacture low-cost generic drugs

48. Match List I with List II:
List I: Government Scheme/Policy
P. Ayushman Bharat
Q. Swadesh Darshan
R. National Logistics Policy
S. RERA
List II: Targeted Service Sector
1. Real Estate
2. Tourism
3. Transport and Supply Chain
4. Healthcare
(A) P-4, Q-2, R-3, S-1
(B) P-4, Q-3, R-2, S-1
(C) P-2, Q-4, R-1, S-3
(D) P-1, Q-2, R-4, S-3

49. In the context of education services in India, what has been a significant trend in recent decades?
(A) Total statutory withdrawal of private corporate entities from higher academic institutions
(B) Higher private sector participation expanding educational capacity
(C) Complete administrative closure of technical

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18. (A) Mismatch between skills demanded by industry and workforce skill sets
The skill gap represents the structural imbalance between the practical capabilities demanded by modern industries and the actual competencies possessed by entering jobseekers. In the service sector, rapid technological advances and changing market demands often render academic knowledge outdated, creating a scenario where job vacancies coexist with high graduate unemployment due to insufficient practical training.

19. (C) Address the skilled manpower needs of various growing sectors
State-level skill development bodies, such as the Rajasthan Skill and Livelihoods Development Corporation, operate under the broader national Skill India Mission framework. They design market-aligned vocational training programs to improve youth employability, addressing industry-specific skill shortages and facilitating sustainable wage employment or self-employment opportunities across expanding service and industrial economic sectors.

20. (A) I, II and III only
The skill gap in the service sector stems from outdated academic curricula, fast-paced technological shifts rendering former competencies obsolete, and weak collaboration between educational institutes and corporate industries. Traditional higher education in the country historically emphasizes theoretical academic instruction rather than practical vocational training, making the claim of excessive vocational focus factually incorrect.

21. (C) Retail trade and domestic work
Informal employment in the service economy is heavily concentrated in low-barrier, unorganized sub-sectors such as unorganized retail trade, street vending, and household domestic work. These activities engage millions of workers without formal written contracts, fixed wages, statutory social security coverage, or employment protection, contrasting sharply with organized, corporate segments like banking and technology.

22. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The service sector displays economic duality, featuring a highly productive formal modern segment alongside a vast, fragmented informal sector. Street retail and domestic work exemplify this informality, engaging workers without formal appointment contracts, regulated wages, or statutory social security benefits, directly illustrating why the service economy exhibits a high degree of informal employment.

23. (D) A street vendor selling fast food in a local market
Formal employment involves written contracts, fixed wages, institutional regulations, and social security provisions like provident funds and health insurance, which characterize roles in software engineering, public sector banking, and corporate insurance claims. Conversely, street vending operates within the unorganized economy, lacking official contracts, social security benefits, and employment security protections.

24. (A) Merchandise trade remains in deficit, whereas services trade maintains a surplus.
India's overall international trade account displays a dual structural pattern. Merchandise trade consistently records a deficit because high import expenditures on crude oil, gold, and electronic components exceed physical exports. In contrast, services trade continuously maintains a net trade surplus, driven primarily by strong software exports, IT services, and professional corporate consulting services.

25. (C) I and III only
Software and IT services constitute the dominant share of services exports rather than a minor component. The surplus generated from services exports helps narrow the merchandise trade deficit on the current account. Additionally, personal remittances sent home by migrant workers are classified under secondary income transfers in the current account, not merchandise trade.

26. (A) Computer and Information Technology Services
Within the services export sector, Computer and Information Technology Services account for the largest proportion of total earnings. Global delivery of software products, cloud computing infrastructure, enterprise solutions, and IT management services consistently generates substantial foreign exchange inflows, establishing tech exports as the single biggest contributor to the national services trade surplus.

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systems, standardized labor contracts, and centrally managed supply chains, organized retail operates through large supermarket chains, department stores, hypermarkets, and corporate e-commerce portals, contrasting with traditional unorganized local mom-and-pop stores.

62. (C) Statement I is true but Statement II is false.
Organized retail in India is growing rapidly but still holds a smaller overall market share compared to traditional unorganized retail formats. Traditional unorganized retail operates primarily through small, localized kirana shops that lack massive economies of scale, bulk purchasing power, or integrated direct manufacturer supply chains, relying instead on multi-tiered intermediary wholesale networks.

63. (A) High degree of formal employee benefits like provident fund
Unorganized retail in India is defined by informal operational practices, low capital requirements, fragmented wholesale channels, and personal customer credit arrangements. Informal retail establishments operate without formal employment registration, meaning workers in this segment typically do not receive institutional employment benefits such as pension contributions, paid medical leave, or formal provident fund coverage.

64. (B) Real Estate Regulatory Authority
RERA stands for Real Estate Regulatory Authority. Established under the Real Estate Regulation and Development Act, RERA is a statutory regulatory body designed to supervise real estate transactions, enforce financial discipline on property developers, ensure timely project completion, resolve homebuyer grievances, and enhance overall transparency and consumer protection across the housing market.

65. (B) Enhance transparency, developer accountability, and homebuyer protections
The primary objective behind enforcing RERA statutory regulations and state authorities like RajRERA is to govern the real estate sector efficiently. The regulatory framework protects homebuyer interests by requiring mandatory developer registration, enforcing strict disclosure of project plans and timelines, curbing construction delays, preventing capital diversion, and establishing accessible dispute-resolution mechanisms.

66. (A) P-2, Q-1, R-4, S-3
Regulatory bodies oversee specialized sub-sectors within the economy. RERA regulates real estate projects and protects property buyers. Telecom Regulatory Authority of India oversees telecommunication services and tariffs. Insurance Regulatory and Development Authority of India governs insurance markets, while the Reserve Bank of India serves as the central monetary authority supervising commercial banking systems.

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67. (C) Ensure capital is dedicated to constructing the designated housing project
Under RERA guidelines, real estate developers must deposit 70 percent of funds collected from buyers into a dedicated project escrow account held in a scheduled bank. This regulatory measure prevents developers from diverting buyer capital to other land acquisitions or unrelated ventures, ensuring that collected funds are used strictly for land and construction costs of that specific project.

68. (D) Entry of a disruptive operator offering affordable 4G data and triggering tariff wars
India's data revolution in telecommunications post-2016 was driven by the aggressive market entry of a new service operator providing low-cost 4G high-speed data and nationwide coverage. This triggered intense competition and tariff wars among telecommunication providers, forcing data prices down significantly and driving massive mobile internet consumption, smartphone adoption, and digital service expansion across the nation.

69. (C) The ratio of total insurance premiums written relative to national GDP
Insurance penetration is an economic indicator used to evaluate the development of the insurance market relative to the size of the national economy. It is calculated specifically as the percentage ratio of total insurance premium revenue underwritten in a given financial year to the country's Gross Domestic Product, reflecting the overall financial depth of the insurance sector.

36. (B) I, II and III only
State-level governance reforms aimed at improving ease of doing business concentrate on establishing digital single-window portals, simplifying complex labor compliance, and digitizing property registration. Conversely, mandating physical inspections for minor approvals increases administrative friction and operational delays, directly opposing the institutional objectives of streamlined e-governance and regulatory simplification across expanding regional business environments.

37. (C) It guarantees government jobs to the founders if the startup fails.
The Startup India initiative provides tax exemptions, seed funding access, fast-track patent processing, and incubation support to foster innovation and entrepreneurship. It encourages technology-driven solutions across service domains like health, education, and finance. However, it operates strictly as an entrepreneurial ecosystem enabler and provides no government job guarantees to founders of failed ventures.

38. (B) By encouraging technology-driven platform economies and service aggregators
The Startup India initiative is deeply intertwined with service sector growth because new technology ventures predominantly operate within service aggregators, platform platforms, e-commerce networks, fintech, and digital health. By offering mentorship, tax relief, regulatory flexibility, and capital access, the policy accelerates the deployment of innovative, scalable, technology-driven service delivery models nationwide.

39. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Startup India policy catalyzed rapid expansion in digital service segments like e-commerce, fintech, and ed-tech. The government enabled this development by establishing a favorable business environment featuring simplified compliance rules, incubation facilities, intellectual property support, and dedicated funding access, directly explaining how policy incentives accelerated growth across digital service sectors.

40. (A) Empowering society and knowledge economy through e-governance and digital services
Digital India is structured around transforming the country into a digitally empowered society and knowledge economy. Relative to services, the campaign focuses on delivering public services electronically, expanding broadband infrastructure, promoting digital literacy, and fostering digital payment platforms, thereby enabling efficient, technology-led economic activities and e-governance accessibility for citizens across all regions.

41. (C) Minimizing human interaction to reduce corruption and shorten processing times
E-governance leverages automated online portals, digital applications, and electronic verification mechanisms to streamline government service delivery. By minimizing direct interpersonal contact between citizens and public officials, automated systems enhance institutional transparency, mitigate opportunities for administrative corruption, decrease paperwork requirements, and significantly shorten processing timelines for statutory permits, licenses, and official documentation.

42. (B) Paper Cheques → NEFT/RTGS → UPI → CBDC (e-Rupee)
Modern financial payment systems in India evolved systematically over recent decades. Paper-based cheque clearing systems were gradually supplemented by electronic funds transfer mechanisms like NEFT and RTGS. Later, the Unified Payments Interface introduced instant retail payments on smartphones, while the Central Bank Digital Currency represents the latest evolutionary advancement in digital sovereign currency technology.

43. (A) I and II only
The Digital India framework rests on key pillars, including establishing digital infrastructure as a basic utility for citizens and delivering governance and services dynamically on demand. The policy does not mandate full privatization of public sector banks, focusing instead on digitizing public and private financial institutions to facilitate comprehensive electronic banking access.

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44. (B) Leapfrogging structural transformation
Standard economic development models dictate that economies transition from agrarian bases to manufacturing-heavy structures before becoming

service-centric economies. India experienced a leapfrogging structural transformation by skipping a prolonged phase of dominant mass manufacturing expansion, transitioning directly from an agrarian emphasis to a services-led economic model that generates over half of its national GDP.

45. (A) Both Statement I and Statement II are true.
The service sector consistently records faster expansion rates than primary and secondary sectors, becoming the main driver of GDP growth. However, its share in nationwide employment remains lower than its output share, reflecting high labor productivity in modern organized services and indicating that tertiary sector expansion generates less proportional employment than traditional primary sectors.

46. (D) Economic liberalization and globalization reforms implemented in 1991
The expansion of India's service economy accelerated following the 1991 economic liberalization and globalization reforms. Deregulation, reduction of entry barriers, foreign direct investment inflows, and integration with global financial and technology markets catalyzed explosive growth in key tertiary sub-sectors, including telecommunications, information technology, banking, insurance, and specialized professional corporate services.

47. (A) Provides healthcare coverage to low-income families, boosting medical services demand
Ayushman Bharat functions as a demand-side economic stimulus by granting state-funded financial health insurance coverage to low-income households. By providing cashless access to secondary and tertiary hospital care, the scheme enables previously financially constrained patients to seek medical treatment, thereby expanding healthcare service demand and driving private and public clinical investment.

48. (A) P-4, Q-2, R-3, S-1
Sector-specific public policies target distinct service sub-sectors. Ayushman Bharat enhances demand and access within healthcare services. Swadesh Darshan develops infrastructure for regional thematic tourism. The National Logistics Policy aims to streamline supply chains and transport operations, while the Real Estate Regulation and Development Act provides a governance framework for real estate developments.

49. (B) Higher private sector participation expanding educational capacity
Over recent decades, education services have undergone a major structural transformation driven by increased private sector participation. Private institutions, technical universities, professional coaching institutes, and digital education providers have expanded exponentially, significantly increasing student enrolment capacity, diversifying curriculum offerings, and supplementing public educational infrastructure across primary, higher, and vocational learning tiers.

50. (A) Beneficiaries are strictly restricted to public government hospitals.
Under the Ayushman Bharat PM-JAY initiative, eligible families receive health coverage of up to five lakh rupees annually for secondary and tertiary inpatient treatment based on socio-economic census data. Beneficiaries are not restricted exclusively to public facilities, as the program enables cashless healthcare access across both empanelled public hospitals and private medical facilities.

51. (C) Smartphone adoption, low-cost data, and remote learning growth
The educational technology sector in India experienced explosive expansion due to widespread smartphone penetration, affordable mobile data tariffs, and accelerated adoption of digital remote learning platforms. These technological developments expanded digital content reach, enabled live interactive virtual classrooms, and allowed educational providers to deliver personalized instructional services to millions of students across urban and rural regions.

52. (D) Digital frameworks connecting consumers, merchants, and gig workers
The platform economy denotes modern business models structured around digital technology infrastructure that matches demand and supply across multi-sided economic networks. In the service sector, digital platforms bring together consumers, independent service providers, merchants, and flexible gig workers to facilitate instant transactions in transport ride-hailing,

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food delivery, e-commerce, software development, and specialized freelance services.

53. (A) I and IV only
E-commerce has significantly increased the demand for logistics, automated warehousing, and specialized supply chain services rather than reducing them. Furthermore, e-commerce operations depend heavily on physical transportation networks for last-mile freight delivery. E-commerce platforms rely on digital payment systems and generate widespread employment opportunities across delivery, packaging, and fulfillment operations.

54. (B) Works flexible, non-permanent jobs mediated through digital platforms
A gig worker is an individual who engages in short-term, task-based, or freelance work arrangements outside traditional long-term employer-employee relationships. Often mediated through digital platforms and service aggregators, gig work offers flexible working hours but lacks standardized salaried contracts, fixed tenure, paid leave benefits, and statutory formal social security protections.

55. (D) Logistics, warehousing, and delivery services
The rapid economic expansion of online retail and e-commerce directly stimulates demand for essential supporting tertiary services. To fulfill digital orders efficiently, e-commerce enterprises require extensive physical infrastructure, driving massive growth in specialized third-party logistics networks, modern climate-controlled warehousing hubs, automated inventory sorting centers, and last-mile door-to-door delivery service operations nationwide.

56. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
E-commerce platforms depend heavily on efficient, integrated logistics networks to sustain operational feasibility. Because online retail competes directly on transaction speed, convenience, and accurate delivery of physical products to consumer doorsteps, reliable last-mile supply chain mechanisms form the primary value proposition that drives customer satisfaction and commercial viability in the sector.

57. (C) Reduce national logistics costs relative to GDP to global benchmark levels
The National Logistics Policy aims to improve systemic efficiency across national supply chains by reducing logistics costs from double-digit percentages down to competitive global benchmarks relative to national GDP. The policy focuses on digital integration, multimodal freight transport optimization, regulatory simplification, and workforce skill development to enhance domestic trade competitiveness and market efficiency.

58. (A) 2, 3, 4, 1
Commercial supply chain management follows a structured operational sequence. The process initiates with the procurement of raw materials or finished goods from suppliers. These items are stored in centralized warehousing facilities, transferred via line-haul long-distance transportation networks, and finally distributed through last-mile delivery mechanisms to end retailers or individual consumers.

59. (D) Integrate inter-ministerial logistics data for real-time tracking and visibility
The Unified Logistics Interface Platform was launched as a digital technology initiative under the National Logistics Policy. It integrates disparate digital data systems from various ministries, transport agencies, and logistics service providers into a unified portal, enabling real-time cargo tracking, administrative operational visibility, reduced documentation delays, and enhanced multi-modal freight transport management.

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60. (D) I, II and III
The National Logistics Policy presents a comprehensive framework designed to reduce national logistics expenses to a single-digit percentage of GDP. It emphasizes rapid technology adoption, digital tracking, skill development for sector workers, and seamless multimodal transport connectivity integrating road, rail, coastal shipping, and inland waterways to optimize supply chain performance.

61. (C) Corporate retailers with formal tax compliance and integrated supply chains
Organized retail encompasses licensed, corporate commercial enterprises registered under formal statutory frameworks. Characterized by compliance with taxation laws, digital payment

export trade, the scheme provided duty credit scrips to exporters to offset infrastructural inefficiencies and tax costs, before being phased out and replaced by the WTO-compliant RoDTEP framework to meet international trade standards.

79. (A) Formal job growth lagged behind expanding labor supply from agriculture
The persistence of a large informal service segment stems from the structural inability of organized industrial and modern tertiary sectors to absorb the expanding labor workforce migrating away from agriculture. Lacking specialized technical qualifications or formal corporate jobs, many displaced workers turn to low-entry-barrier, unorganized activities in street retail, local transport, and domestic services.

80. (B) Make in India
The Make in India campaign is primarily designed to promote domestic manufacturing, physical industrial production, and secondary sector growth. In contrast, initiatives like Startup India, Digital India, and PM-JAY focus predominantly on digital platforms, technology innovation, e-governance, financial services, healthcare delivery, and modern tertiary service sector development across the national economy.

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70. (D) I, II, III and IV
Multiple factors drive banking and insurance expansion. Growing financial literacy boosts adoption of formal instruments, while federal financial inclusion programs like Jan Dhan Yojana bring unbanked households into formal systems. Digital banking enhances accessibility, whereas high statutory capital requirements function as institutional entry barriers that safeguard domestic financial stability while regulating private market entries.

71. (D) Market consolidation into a small oligopoly of major service providers
Intense price competition and aggressive tariff wars within the telecommunications sector significantly squeezed corporate profit margins and increased financial debt burdens. As a direct structural consequence, weaker regional operators exited the market or merged with stronger competitors, consolidating the national telecommunications industry into a tight market oligopoly dominated by a small number of major private and public service providers.

72. (A) The sector contributes more than half to the GDP but employs a disproportionately smaller fraction of the workforce.
The primary growth paradox of India's economy lies in the structural mismatch between gross economic output and national employment distribution. While the service sector expands rapidly to generate more than 50 percent of total Gross Domestic Product, it employs a disproportionately smaller share of the working population compared to agriculture, reflecting capital intensity and high specialized skill prerequisites.

73. (A) Both Statement I and Statement II are true.
Modern telecommunication infrastructure serves as the fundamental physical and digital backbone connecting consumers, businesses, and platform financial technologies across the digital economy. A robust, competitive telecom market providing affordable high-speed data coverage is essential to support national e-governance programs, facilitate digital payments, and successfully implement wide-scale Digital India initiatives across all socio-economic domains.

74. (A) GDP contribution expands without proportional employment generation
Jobless growth describes a macroeconomic scenario in which an economic sector experiences sustained expansion in real output and Gross Domestic Product contribution without generating a corresponding proportional increase in employment. In service sub-sectors, this occurs when revenue growth is driven by technological automation, high capital intensity, and efficiency gains rather than expanding workforce recruitment.

75. (D) IT and Financial Services
Information Technology and Financial Services are knowledge-intensive, highly specialized tertiary sub-sectors. They generate massive economic output, corporate profits, and export revenues while requiring relatively small, highly skilled technical workforces. Consequently, they are frequently cited in economic analyses as prime examples of jobless growth due to their low overall capacity to absorb general labor.

76. (B) Informal retail trade and domestic household service work
Unorganized retail trade and domestic household employment demonstrate high employment intensity, engaging a substantial portion of the non-agricultural workforce. However, these activities suffer from lower average per capita labor productivity, low capital investment, lack of technology integration, fragmented operations, and absence of formal wage regulations, distinguishing them structurally from organized modern service industries.

77. (C) Logistics - Focus on cost reduction and multimodal connectivity
Modern policy and operational trends in the service economy emphasize strategic modernization. The logistics sector specifically focuses on reducing total national freight transaction expenses relative to GDP while improving multimodal transport infrastructure across roads, railways, and ports. This contrast with retail, which retains significant informality, real estate under increased regulation, and expanding digital technology adoption.

78. (D) Merchandise Exports from India Scheme
In previous iterations of foreign trade policy, MEIS stood for the Merchandise Exports from India Scheme. Introduced to promote physical

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9. Why did the high-yielding varieties (HYV) of seeds necessitate a massive increase in the use of chemical fertilizers?
(A) The seeds were genetically modified to reject natural compost
(B) The HYV plants lacked natural resistance to local pests without chemicals
(C) The chemical fertilizers were required to increase the soil temperature for germination
(D) HYV crops needed higher nutrient inputs to achieve their maximum yield potential

10. The Green Revolution was initially concentrated in specific geographical pockets of India. Which of the following regions experienced the most pronounced success in the first phase?
(A) Punjab, Haryana, and Western Uttar Pradesh
(B) The eastern plains of Bihar and West Bengal
(C) The Deccan plateau region of Maharashtra
(D) The coastal deltas of Andhra Pradesh and Tamil Nadu

11. Match the agricultural revolutions in List I with their primary sectors of impact in List II:
List I: (Revolution)
P. Green Revolution
Q. White Revolution
R. Blue Revolution
S. Yellow Revolution
List II: (Sector of Impact)
1. Oilseeds
2. Fisheries and Aquaculture
3. Dairy and Milk
4. Foodgrains
Select the correct code:
(A) P-4, Q-2, R-3, S-1
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-1, Q-3, R-2, S-4

12. A major social criticism of the Green Revolution is that it:
(A) Led to the immediate and complete abandonment of cash crop cultivation across all regions
(B) Widened income disparities between wealthy and marginal farmers
(C) Resulted in the mass migration of urban industrial workers to rural agricultural sectors
(D) Eliminated the structural role of agricultural cooperatives across northern India

13. Which of the following best describes the environmental risk associated with the "monocropping" practices promoted during the Green Revolution?
(A) Degraded soil health and increased crop vulnerability to pests
(B) It permanently enhanced the natural pest resistance of traditional native crops
(C) It caused a significant long-term increase in the genetic diversity of farm crops
(D) It resulted in a massive surplus accumulation of organic matter in the topsoil

14. Consider the following statements regarding the consequences of the Green Revolution:
I. It created severe regional disparities in agricultural development across India.
II. It caused alarming groundwater depletion in northwestern states.
III. It eliminated the dependency on chemical pesticides.
IV. It successfully maintained long-term soil fertility without organic inputs.
Which of the statements given above is/are correct?
(A) I and II only
(B) III and IV only
(C) I, II, and III only
(D) I, II, III, and IV

15. The phenomenon of a rapidly depleting water table in Punjab and Haryana is most directly a long-term consequence of:
(A) The rapid structural shift from traditional agriculture to heavy manufacturing industries
(B) The unprecedented failure of seasonal monsoons for ten consecutive years in the 1980s
(C) The massive construction of large hydroelectric dam projects on the Sutlej river
(D) Intensive cultivation of water-demanding paddy using tube-wells

16. Operation Flood, launched in 1970, is synonymous with which of the following agricultural transformations?
(A) The stabilization of major river systems
(B) The Blue Revolution
(C) The White Revolution
(D) The Evergreen Revolution

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CHAPTER 09
Green, White and Blue Revolutions

1. What was the primary domestic condition that forced India to rely heavily on the PL-480 programme in the 1960s?
(A) An overproduction of coarse cereals that needed export markets
(B) A severe domestic food crisis and the threat of widespread famine
(C) The necessity to import agricultural machinery for industrialization
(D) A bilateral agreement to introduce American dairy technology

2. The core objective of the Green Revolution in its initial phase was to:
(A) Eradicate rural poverty through land redistribution
(B) Transition Indian agriculture entirely to organic farming
(C) Maximize the export of cash crops like cotton and jute
(D) Achieve national self-sufficiency in foodgrain production

3. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Green Revolution successfully eliminated India's dependency on the US PL-480 food import programme.
Reason (R): The introduction of HYV seeds and modern inputs dramatically increased domestic foodgrain yields.
Select the correct option:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

4. Which specific crops were the primary focus of the High Yielding Varieties (HYV) programme during the early years of the Green Revolution?
(A) Pulses and Oilseeds
(B) Sugarcane and Cotton
(C) Wheat and Rice
(D) Jowar and Bajra

5. The famous semi-dwarf, high-yielding wheat varieties introduced in India during the Green Revolution were originally developed in which country?
(A) Mexico
(B) United States
(C) Philippines
(D) Australia

6. During the Green Revolution, a prominent high-yielding variety of rice that significantly boosted yields was introduced. What was its popular designation?
(A) Kalyan Sona
(B) Sonalika
(C) Sharbati Sonora
(D) IR8

7. Consider the following statements regarding the technological requirements of the Green Revolution:
I. It required assured and controlled irrigation facilities.
II. It demanded intensive application of chemical fertilizers.
III. It relied heavily on traditional, indigenous seed varieties.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

8. The expansion of irrigation during the Green Revolution in Punjab and Haryana was most prominently characterized by the rapid growth of:
(A) Drip irrigation networks
(B) Rainwater harvesting structures
(C) Canal networks and tube-wells
(D) Deep-sea desalination plants

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27. (D) FTP is revised periodically to adapt to dynamic global trade and boost export competitiveness.
Foreign Trade Policy provides the official regulatory and promotional framework governing cross-border trade in goods and services. Formulated by the Ministry of Commerce and Industry, the policy is revised periodically to respond to shifting global economic conditions, streamline trade administration, enhance export competitiveness, and reduce compliance burdens for domestic exporters.

28. (B) To promote exports by refunding embedded central, state, and local taxes to exporters
The Remission of Duties and Taxes on Exported Products scheme was introduced to ensure that domestic un-refunded taxes and duties are remitted to exporters. By reimbursing embedded levies on electricity, fuel, stamp duty, and local transport, the policy eliminates the exportation of taxes, reducing production costs and making domestic products competitive in global markets.

29. (A) 2, 3, 1, 4
Under standard trade facilitation protocols, export processing follows a chronological sequence. The exporter first registers on the unified single-window portal, then uploads necessary shipping documents such as commercial invoices and packing lists. Subsequently, customs authorities assess applicable duties, leading to the final electronic issuance of the Let Export Order allowing shipment movement.

30. (D) They mandate physical visits to multiple government offices sequentially.
Single-window clearance systems are specifically engineered to eliminate paper-intensive administration and physical interactions with multiple regulatory offices. By providing a centralized online interface, exporters and importers submit required regulatory clearances digitally, significantly reducing operational transaction costs, expediting clearance times, and enhancing overall ease of doing business without requiring physical visits.

31. (A) Remission of Duties and Taxes on Exported Products
RoDTEP stands for Remission of Duties and Taxes on Exported Products. It is a scheme structured to refund non-creditable taxes, central and state duties, and local levies incurred during the manufacture and distribution of exported goods. This process ensures that export products carry no domestic tax burden into competitive international trade markets.

32. (B) MEIS was challenged for non-compliance with World Trade Organization trade rules.
The Merchandise Exports from India Scheme provided incentive credits that were challenged at the World Trade Organization for violating global trade rules regarding export subsidies. Consequently, the government introduced the WTO-compliant RoDTEP scheme, which remits actual non-reimbursed taxes paid during production rather than distributing direct export subsidies, maintaining global trade compliance.

33. (A) P-3, Q-2, R-1, S-4
Key trade terms reflect specific institutional instruments in national economic administration. Foreign Trade Policy establishes the overarching strategic policy roadmap guiding import-export operations. RoDTEP reimburses non-creditable taxes to maintain WTO compliance. Single-window clearances streamline digital regulatory submissions through a single portal, while MEIS represents an earlier incentive scheme phased out to satisfy international trade mandates.

34. (A) Refunding non-reimbursable taxes on fuel, power, and stamps consumed during export production
Embedded taxes refer to non-creditable indirect levies, duties, and cesses that accumulate during production and logistics but are not refunded through mechanisms like Goods and Services Tax input credits. Under RoDTEP, taxes paid on electricity, fuel used in transport, and stamp duties are calculated and remitted to ensure export goods carry no hidden tax costs.

35. (C) Digital India
Digital India serves as the foundational national campaign delivering the digital infrastructure required for ease of doing business across the service economy. By expanding broadband connectivity, electronic identities, cloud platforms, and unified payment architecture, the initiative enables businesses to access e-governance solutions, complete digital transactions, and deliver technology-enabled services seamlessly.

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17. Operation Flood is recognized globally as the world's largest development programme in which specific sector?
(A) Inland aquaculture
(B) Dairy and milk production
(C) High-yield wheat cultivation
(D) Poultry and egg production

18. Who among the following is universally acclaimed as the "Father of the White Revolution" in India?
(A) M.S. Swaminathan
(B) Norman Borlaug
(C) Sam Pitroda
(D) Verghese Kurien

19. The institutional framework that underpinned the success of the White Revolution was based on the "Anand Pattern." What is the Anand Pattern?
(A) A three-tier cooperative structure owned by milk producers
(B) A fully state-owned and centrally operated public dairy farm network
(C) A multinational corporate model driven by foreign direct investment in dairy
(D) A strict government regulatory framework to control the retail pricing of milk

20. Arrange the structural tiers of the Anand Pattern dairy cooperative model from the grassroots level up to the apex state level:
1. State Cooperative Milk Producers' Federation
2. Village Dairy Cooperative Society
3. District Milk Producers' Union

Select the correct sequence:
(A) 1, 2, 3
(B) 3, 2, 1
(C) 2, 3, 1
(D) 2, 1, 3

21. Which national institution was established to replicate the success of the Amul cooperative model across India during the White Revolution?
(A) National Dairy Development Board (NDDB)
(B) Indian Council of Agricultural Research (ICAR)
(C) Food Corporation of India (FCI)
(D) National Bank for Agriculture and Rural Development (NABARD)

22. Under the Amul model, the primary objective of eliminating middlemen from the dairy supply chain was to:
(A) Substantially increase the annual tax revenue collected by the state government
(B) Heavily subsidize the international export of powdered milk to neighboring countries
(C) Artificially decrease overall milk production to raise its domestic market value
(D) Ensure maximum share of consumer price goes to farmers

23. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The White Revolution significantly improved the socio-economic conditions of marginal farmers and landless laborers.
Reason (R): Dairying provided a supplementary and steady source of income that did not require large landholdings.
Select the correct option:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

24. The Blue Revolution in India was conceptualized with the primary objective of:
(A) Significantly enhancing the industrial production of indigo and synthetic dyes
(B) Promoting the widespread cultivation of water-intensive cash crops across basins
(C) Increasing fish production and aquaculture development
(D) Comprehensively cleaning the major polluted river systems of northern India

25. The strategic expansion of fisheries under the Blue Revolution targets which of the following areas?
(A) Exclusively targeting deep-sea marine ecosystems and oceanic waters
(B) Exclusively focusing on freshwater rivers, streams, and natural lakes
(C) Exclusively developing artificial urban aquariums and public displays
(D) Both inland and marine fisheries

26. Which of the following schemes is the current flagship initiative of the Government of India for the focused and sustainable development of the fisheries sector?
(A) Pradhan Mantri Matsya Sampada Yojana (PMMSY)

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(B) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
(C) Paramparagat Krishi Vikas Yojana (PKVY)
(D) Pradhan Mantri Fasal Bima Yojana (PMFBY)

27. Consider the following statements regarding the Pradhan Mantri Matsya Sampada Yojana (PMMSY):
I. It aims to double the incomes of fishers and fish farmers.
II. It focuses on reducing post-harvest losses through modern cold chains.
III. It explicitly discourages the participation of women in aquaculture.
Which of the statements given above is/are correct?
(A) I only
(B) I and II only
(C) II and III only
(D) I, II and III

28. How did the initial adoption of Green Revolution technologies impact rural employment in regions like Punjab and Haryana?
(A) It caused an immediate and total collapse of the rural agricultural labour market nationwide
(B) Increased rural labour absorption due to multiple cropping demands
(C) It dramatically reduced employment as chemical fertilizers completely replaced manual farming
(D) It permanently shifted almost all agricultural labour directly into heavy manufacturing sectors

29. In the later stages of the Green Revolution, the elasticity of employment in agriculture began to decline. What was the primary reason for this?
(A) Rapid increase in agricultural mechanization
(B) An acute and severe shortage of cultivable arable land across major states
(C) The widespread and catastrophic mass failure of HYV seeds due to climate change
(D) Strict government regulatory bans on hiring seasonal agricultural laborers

30. Which agricultural revolution in India is specifically associated with the Technology Mission on Oilseeds?
(A) Silver Revolution
(B) Golden Revolution
(C) Yellow Revolution
(D) Pink Revolution

31. Match the visionary or organization in List I with their core associated contribution in List II:
List I: (Visionary/Organization)
P. Verghese Kurien
Q. M.S. Swaminathan
R. NDDB
S. ICAR
List II: (Contribution)
1. Coining the term "Evergreen Revolution"
2. Establishing the national network of dairy cooperatives
3. Driving agricultural research and technological extension
4. Pioneering Operation Flood
Select the correct code:
(A) P-2, Q-3, R-4, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-3, Q-1, R-2, S-4
(D) P-4, Q-1, R-2, S-3

32. The Pink Revolution in India marks technological and production advancements primarily in which two sectors?
(A) Commercial tomato production and red gram pulse farming
(B) Industrial rose cultivation and organic cosmetics manufacturing
(C) Meat processing and pharmaceuticals
(D) Commercial prawn aquaculture and inland synthetic fertilizers

33. The Silver Revolution resulted in a massive production boost in which of the following agricultural allied sectors?
(A) Silk production (Sericulture)
(B) Eggs and Poultry production
(C) Cotton production
(D) Milk processing

34. What was the primary mandate of the Indian Council of Agricultural Research (ICAR) during the unfolding of the various agricultural revolutions?
(A) To regularly calculate and issue minimum support prices (MSP) for all newly developed crops
(B) To manage and distribute subsidized chemical fertilizers directly to village panchayats nationwide
(C) To comprehensively regulate the international export trade of dairy and marine products
(D) Provide agricultural research, seed

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development, and extension services

35. Consider the following statements regarding the concept of the "Evergreen Revolution":
I. It was advocated by Dr. M.S. Swaminathan.
II. It emphasizes sustainable agriculture and ecological preservation.
III. It promotes the reckless expansion of chemical fertilizer usage to break yield plateaus.
IV. It seeks productivity growth without long-term environmental degradation.
Which of the statements given above is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

36. The transition in policy focus from the Green Revolution to the Evergreen Revolution is fundamentally a shift from:
(A) A policy transition from food processing industries to raw material export
(B) A shift from traditional rain-fed agriculture to completely artificial greenhouse farming
(C) Yield maximization at any cost to sustainable productivity
(D) A structural shift from cooperative farming models to corporate contract farming

37. Which of the following is NOT a recognized tier in the Anand Pattern of dairy cooperatives?
(A) Zila Parishad Milk Allocation Board
(B) Village Dairy Cooperative Society
(C) District Milk Producers' Union
(D) State Cooperative Milk Producers' Federation

38. The combined effect of the Green, White, and Blue revolutions over the decades has primarily transformed India's macroeconomic status by:
(A) Permanently making India the world's largest net importer of processed packaged food
(B) Completely eliminating the requirement for a domestic agricultural workforce across states
(C) Shifting the entire rural agrarian economy strictly towards marine and seafood exports
(D) Transforming India from food-deficient to a major global producer

39. Which of the following was a critical infrastructural prerequisite for the successful adoption of Green Revolution technology by farmers?
(A) Direct geographical proximity to major deep seaport export facilities
(B) Access to credit and subsidized inputs
(C) Private individual ownership of fully automated high-tech greenhouse systems
(D) Compulsory statutory membership in local village dairy cooperative societies

40. Which of the following represents the correct chronological sequence of the initiation of these major agricultural milestones?
(A) Introduction of Mexican HYV wheat, Launch of Operation Flood, Launch of Technology Mission on Oilseeds, Launch of PMMSY
(B) Launch of Operation Flood, Introduction of Mexican HYV wheat, Launch of PMMSY, Launch of Technology Mission on Oilseeds
(C) Launch of Technology Mission on Oilseeds, Launch of Operation Flood, Introduction of Mexican HYV wheat, Launch of PMMSY
(D) Introduction of Mexican HYV wheat, Launch of Technology Mission on Oilseeds, Launch of Operation Flood, Launch of PMMSY

41. A direct, adverse result of the intense reliance on chemical pesticides during the Green Revolution was:
(A) The rapid and unprecedented multiplication of beneficial earthworms in topsoil
(B) The complete and permanent eradication of all known viral plant diseases nationwide
(C) A significant long-term drop in the ambient microclimate temperature of agricultural plains
(D) Emergence of resistant secondary pests and food chain toxicity

42. In the context of the Blue Revolution, which water bodies are primarily classified under 'inland fisheries'?
(A) Rivers, lakes, and reservoirs
(B) The entire Exclusive Economic Zone (EEZ) extending up to 200 nautical miles
(C) Saline coastal backwaters, tidal creeks, and river estuaries
(D) The deep continental shelf beyond coastal waters

43. One of the stated objectives of the Pradhan Mantri Matsya Sampada Yojana is to enhance

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9. (D) HYV crops needed higher nutrient inputs to achieve their maximum yield potential
High-yielding variety seeds are genetically structured with high photosynthetic efficiency and shorter stems, allowing them to support larger grain heads. However, achieving their full genetic yield potential requires substantial nutrient uptake. Unlike traditional crops that grew tall with minimal inputs, HYV crops require intensive doses of nitrogen, phosphorus, and potassium fertilizers to fuel rapid metabolic growth and yield formation.

10. (A) Punjab, Haryana, and Western Uttar Pradesh
The initial phase of the Green Revolution was concentrated in Punjab, Haryana, and Western Uttar Pradesh due to existing favorable conditions. These northwestern regions possessed well-established canal systems, fertile alluvial soil, higher average landholdings, and progressive farming communities. These structural advantages enabled seamless adoption of capital-intensive high-yielding seeds, tube-well irrigation networks, and chemical fertilizers with rapid success.

11. (B) P-4, Q-3, R-2, S-1
The Green Revolution focused on enhancing foodgrain production, notably wheat and rice. The White Revolution targeted milk and dairy development through cooperative networking. The Blue Revolution aimed to boost fisheries and marine aquaculture. The Yellow Revolution was launched to expand domestic oilseed production, reducing national reliance on imported edible oils. Each targeted campaign modernized its specific sector.

12. (B) Widened income disparities between wealthy and marginal farmers
A major socio-economic critique of the Green Revolution stems from its capital-intensive nature. Prosperous farmers possessing large landholdings could easily secure institutional credit and invest in machinery, tubewells, and chemical inputs. In contrast, small and marginal farmers lacked financial capital, leading to lower adoption rates and relative economic stagnation, which ultimately widened income inequality across rural communities.

13. (A) Degraded soil health and increased crop vulnerability to pests
Monocropping involves continuously cultivating a single crop species over large areas, a common practice during the Green Revolution. This practice depletes specific soil nutrients, leading to ecological imbalances and soil degradation. Furthermore, uniform genetic coverage eliminates natural biological barriers, making crops extraordinarily vulnerable to rapid pest outbreaks, disease epidemics, and long-term loss of natural soil biological fertility.

14. (A) I and II only
The Green Revolution concentrated growth in irrigated pockets like Punjab and Haryana while neglecting rainfed regions, creating pronounced regional imbalances. Intensive groundwater pumping for water-demanding crops caused severe water table depletion in northwestern states. It also increased reliance on chemical pesticides rather than eliminating them, while prolonged chemical usage degraded soil health over time without organic restoration.

15. (D) Intensive cultivation of water-demanding paddy using tube-wells
The rapid decline of water tables in Punjab and Haryana is primarily caused by intensive paddy cultivation introduced during the Green Revolution. Rice is a highly water-intensive crop non-native to semi-arid regions. To sustain continuous flooding in fields, farmers rely heavily on deep tube-well extraction, pumping groundwater faster than natural monsoon recharge can replenish aquifers.

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16. (C) The White Revolution
Operation Flood was launched in 1970 to transform India from a milk-deficient nation into the world's leading milk producer. This nationwide initiative is synonymous with the White Revolution. It established a nationwide dairy cooperative network that integrated rural milk production with urban demand centers, eliminating intermediaries and modernizing dairy processing and distribution infrastructure across regions.

17. (B) Dairy and milk production
Operation Flood is internationally acknowledged as the largest integrated dairy development programme in history. Implemented by the National Dairy Development Board, it organized

(C) To extract essential raw organic materials for the synthetic textile industry
(D) To completely replace traditional crop farming with animal husbandry practices

52. Match the Revolution in List I with the specific agricultural input or focus in List II:
List I: (Revolution)
P. Green Revolution
Q. White Revolution
R. Blue Revolution
S. Silver Revolution
List II: (Input / Focus)
1. Cross-breeding of poultry layers
2. Artificial insemination and veterinary care
3. Hatcheries and fish seed (fingerlings)
4. Chemical fertilizers and HYV seeds
Select the correct code:
(A) P-4, Q-3, R-2, S-1
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-2, R-4, S-3

53. Which of the following best articulates the primary distinction between the Green Revolution and the White Revolution regarding their scale of operation at the farmer level?
(A) Green Rev favored large holdings; White Rev integrated landless and marginal farmers.
(B) The Green Revolution required absolutely zero capital investment from farmers, unlike the highly capital-intensive White Revolution.
(C) The White Revolution was geographically restricted to northern states, whereas the Green Revolution was uniformly implemented nationwide.
(D) The Green Revolution was driven exclusively by farmer cooperatives, while the White Revolution relied on private corporate monopolies.

54. Dr. M.S. Swaminathan emphasized the need for an "Evergreen Revolution" primarily because:
(A) He aimed to completely phase out field agriculture and introduce industrial synthetic food manufacturing.
(B) He strongly believed India should eliminate domestic seed research and import modified organisms from the West.
(C) He sought to permanently divert national agricultural funding toward commercial forestry and timber production.
(D) Green Revolution techniques were causing irreversible ecological harm.

55. The success of the White Revolution led to the creation of a massive national milk grid. What was the primary function of this grid?
(A) To regularly export bulk shipments of untreated raw milk directly to European commercial markets
(B) Connecting milk-deficient regions with surplus regions to balance supply.
(C) To legally mandate the daily consumption of processed milk in all government primary schools
(D) To systematically convert all nationwide surplus milk exclusively into industrial chemicals

56. Consider the following statements regarding the Silver Revolution:
I. It led to a massive increase in the production of eggs and poultry.
II. It was largely driven by the adoption of modern scientific poultry farming methods.
III. It focused exclusively on the breeding of indigenous, low-yield backyard poultry.
IV. It benefited significantly from medical advancements in veterinary vaccines.
Which of the statements given above is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

57. Which crop among the following experienced the most dramatic yield breakthrough during the earliest phase of the Green Revolution?
(A) Rice
(B) Maize
(C) Barley
(D) Wheat

58. Identify the INCORRECT statement regarding the Pradhan Mantri Matsya Sampada Yojana (PMMSY):
(A) It explicitly bans inland aquaculture in all landlocked states.
(B) It intends to modernize and strengthen the fisheries value chain.
(C) It aims to foster a robust fisheries management framework.
(D) It seeks to improve the socio-economic security of fish workers.

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notably left behind during the first two decades of the revolution?
(A) The deltaic coastal region of Andhra Pradesh state
(B) Eastern India (Bihar, UP, Odisha)
(C) The north-western heartland of Punjab and Haryana states
(D) The fertile canal-irrigated plains of Western Uttar Pradesh

76. In the context of dairy development, what does NDDB stand for?
(A) National Directorate of Dairy Business
(B) National Dairy Development Board
(C) New Delhi Dairy Bureau
(D) National Dairy Distribution Branch

77. Consider the following statements regarding the Pink Revolution:
I. It involves the modernization of the meat and poultry processing sector.
II. It includes the development of cold chain infrastructure for perishable goods.
III. It strictly prohibits the export of processed meat products.
IV. It aligns with the growth of India's pharmaceutical manufacturing capacities.
Which of the statements given above is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

78. Which of the following best defines the concept of 'aquaculture' promoted under the Blue Revolution?
(A) The open-sea hunting of wild fish in international waters using heavy mechanized trawlers
(B) The commercial extraction of crude petroleum and natural gas from offshore oceanic rigs
(C) Controlled breeding and harvesting of aquatic organisms
(D) The engineering and construction of large multipurpose hydroelectric dams on major rivers

79. A profound long-term social impact of the White Revolution on rural India was:
(A) The widespread mass displacement of villagers to clear land for mega-dairy plants
(B) The enforcement of strict legal bans prohibiting private milk consumption by farmers
(C) The systematic replacement of all crop farming with commercial cattle rearing
(D) Financial empowerment of rural women through dairy cooperatives

80. Which of the following represents the correct sequence of India's strategic approach to achieving food security?
(A) Dependency on PL-480 imports → Adoption of Green Revolution HYV tech → Achievement of self-sufficiency → Shift towards Evergreen Revolution sustainability
(B) Adoption of Green Revolution HYV tech → Dependency on PL-480 imports → Shift towards Evergreen Revolution sustainability → Achievement of self-sufficiency
(C) Shift towards Evergreen Revolution sustainability → Achievement of self-sufficiency → Dependency on PL-480 imports → Adoption of Green Revolution HYV tech
(D) Achievement of self-sufficiency → Shift towards Evergreen Revolution sustainability → Adoption of Green Revolution HYV tech → Dependency on PL-480 imports

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67. The Blue Revolution has significantly altered India's export profile. Which specific marine product constitutes the largest share of India's seafood exports by value?
(A) Frozen shrimp
(B) Processed frozen tuna fillets
(C) Canned offshore sardines
(D) Sun-dried Bombay duck fish

68. The ICAR (Indian Council of Agricultural Research) is the apex body coordinating agricultural research. Where is its headquarters located?
(A) Hyderabad
(B) Karnal
(C) New Delhi
(D) Ludhiana

69. Consider the following statements regarding the Yellow Revolution:
I. It was launched to achieve self-reliance in edible oils.
II. The Technology Mission on Oilseeds (1986) was a major catalyst.
III. It resulted in a permanent cessation of all edible oil imports by India.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

70. Operation Flood was heavily funded in its initial phases through the sale of commodities (skimmed milk powder and butter oil) gifted by:
(A) The United States foreign aid administration under the PL-480 program
(B) The Soviet Union government through specialized bilateral trade treaties
(C) The African Union development agency through humanitarian agricultural grants
(D) European Economic Community (EEC) and World Food Programme

71. The Silver Revolution emphasized modern poultry farming. What is the fundamental difference between 'layers' and 'broilers' in this context?
(A) Layers are reared for meat, while broilers are reared for eggs.
(B) Layers are reared for eggs, while broilers are reared for meat.
(C) Layers are indigenous breeds, while broilers are exotic breeds.
(D) Layers are marine birds, while broilers are land birds.

72. Which of the following correctly describes the "Evergreen Revolution" approach to pest management?
(A) Exclusive and total reliance on potent synthetic organochlorine chemical sprays
(B) Systematic and complete elimination of all insect species from farm boundaries
(C) Integrated Pest Management combining biological and minimal chemical controls
(D) Complete regulatory abandonment of all pest control and crop protection measures

73. Match the ecological consequence in List I with the specific Green Revolution practice in List II that most directly caused it:
List I: (Ecological Consequence)
P. Groundwater depletion
Q. Soil salinity and waterlogging
R. Nitrate pollution in drinking water
S. Loss of indigenous seed varieties
List II: (Practice)
1. Excessive use of nitrogenous chemical fertilizers
2. Over-pumping via electric tube-wells
3. Over-irrigation via unlined canal networks
4. Universal adoption of a few standardized HYV seeds
Select the correct code:
(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-1, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-3, R-1, S-4

74. The Pink Revolution in the pharmaceutical sector is strongly associated with the rapid growth of:
(A) Generic drugs and vaccines
(B) Traditional Ayurvedic and herbal medicinal formulations
(C) Advanced surgical instruments and diagnostic equipment manufacturing
(D) Organic herbal cosmetic products and skincare remedies

75. Despite the massive production gains of the Green Revolution, it was heavily criticized for causing 'regional disparities'. Which region was

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59. The Green Revolution created a heavy dependency on which class of agricultural inputs that were highly sensitive to global fossil fuel prices?
(A) Traditional bio-degradable organic composts and green manure
(B) Synthetic nitrogenous fertilizers
(C) Naturally derived bio-pesticides and botanical extracts
(D) Indigenously produced neem-coated traditional seed varieties

60. Arrange the following logical phases of the Amul cooperative milk collection and processing cycle in chronological order:
1. Processing and packaging at the District Union dairy plant
2. Chilling and collection at the Village Cooperative Society
3. Milking of cattle by the farmer
4. Marketing and distribution by the State Federation

Select the correct sequence:
(A) 3, 2, 1, 4
(B) 2, 3, 1, 4
(C) 3, 1, 2, 4
(D) 1, 2, 3, 4

61. A critical factor in the success of the Green Revolution in Punjab was the consolidation of land holdings. Why was this important?
(A) Made private tube-wells and tractor mechanization economically viable
(B) It enabled the centralized creation of massive state-owned collective agricultural farms
(C) It systematically forced marginal farmers to migrate to urban industrial centers for work
(D) It facilitated the rapid and immediate conversion of prime agricultural land into factories

62. Which Union Ministry in India is primarily responsible for the administration of the Pradhan Mantri Matsya Sampada Yojana?
(A) Ministry of Agriculture, Cooperation and Farmers Welfare
(B) Ministry of Earth Sciences and Oceanic Development
(C) Ministry of Fisheries, Animal Husbandry and Dairying
(D) Ministry of Environment, Forest and Climate Change

63. Under the three-tier structure of the Anand Pattern, what is the core role of the State Federation (e.g., GCMMF in Gujarat)?
(A) Managing direct daily procurement of liquid milk from individual rural households
(B) Providing comprehensive veterinary treatment and artificial insemination for cattle
(C) Issuing low-interest institutional agricultural loans directly to dairy farmers
(D) Marketing processed dairy products under a common brand

64. What was the core purpose of the PL-480 shipments received by India before the Green Revolution?
(A) Providing bilateral military hardware assistance and defense support
(B) Facilitating technological transfer of space and satellite communication equipment
(C) Concessional wheat imports to meet shortages
(D) Providing non-repayable financial grants for constructing major multipurpose dams

65. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Green Revolution led to a decline in the cultivation of pulses and coarse cereals in the primary adopting regions.
Reason (R): The highly profitable yield breakthroughs and assured procurement prices were heavily skewed towards wheat and rice.
Select the correct option:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

66. The "Anand Pattern" of dairy cooperatives proved to be highly resilient and successful compared to traditional government dairies primarily because:
(A) It operated by relying almost entirely on subsidized imported liquid milk stocks
(B) It secured complete permanent exemptions from all local, state, and national taxes
(C) It focused its processing and marketing exclusively on elite high-income urban consumers
(D) Professional management accountable to

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ANSWERS

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1. (B) A severe domestic food crisis and the threat of widespread famine

In the early 1960s, India faced severe domestic food shortages caused by consecutive monsoon failures, low agricultural productivity, and rapid population growth. This acute crisis threatened widespread famine across several states. Consequently, the Indian government was compelled to rely heavily on the United States PL-480 program for concessional wheat imports to stabilize national food supplies.

2. (D) Achieve national self-sufficiency in foodgrain production

The initial phase of the Green Revolution in the mid-1960s was launched to address recurring food shortages and reduce dependence on foreign grain imports. The principal focus was boosting domestic yields of essential foodgrains like wheat and rice. By adopting high-yielding varieties, modern inputs, and improved farming practices, India aimed to establish self-reliance and national food security.

3. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.

High-yielding variety seeds coupled with synthetic fertilizers and expanded irrigation exponentially enhanced domestic foodgrain production during the Green Revolution. This sudden surge in agricultural output enabled India to build substantial public grain reserves, effectively ending reliance on American PL-480 food imports. Therefore, the technological advancements directly eliminated external food dependency by generating sufficient domestic agricultural surplus.

4. (C) Wheat and Rice

The High Yielding Varieties programme launched in the mid-1960s primarily targeted wheat and rice to tackle acute national grain deficits. Semi-dwarf strains of wheat imported from Mexico and high-yielding rice strains from the Philippines demonstrated rapid responsiveness to fertilizers and water. Their successful adoption resulted in unprecedented yield growths, forming the backbone of early agricultural success.

5. (A) Mexico

The semi-dwarf, high-yielding wheat varieties that transformed Indian agriculture were developed at the International Maize and Wheat Improvement Center in Mexico. Agronomist Norman Borlaug bred these dwarf cultivars to resist lodging under heavy fertilization. Introduced to India in the mid-1960s, these Mexican wheat strains laid the biological foundation for dramatic yield increases during the Green Revolution.

6. (D) IR8

IR8 was a famous semi-dwarf, high-yielding rice variety developed by the International Rice Research Institute in the Philippines. Introduced during the 1960s, IR8 possessed strong stems that supported heavy grain clusters without falling over. Its introduction significantly boosted Asian rice yields, earning it widespread recognition as miracle rice and driving major agricultural output increases across India.

7. (A) I and II only

The technological package of the Green Revolution relied on semi-dwarf high-yielding seeds, intensive application of chemical fertilizers, and controlled irrigation. These modern varieties required optimal nutrient inputs and regulated moisture to reach maximum productivity. Traditional indigenous seeds were systematically replaced because they lacked the genetic capability to yield higher outputs under intensive chemical and water management regimes.

8. (C) Canal networks and tube-wells

The adoption of high-yielding crop varieties in Punjab and Haryana required reliable and controlled water supplies throughout the growing season. To fulfill these demands, state authorities expanded surface canal networks, while private farmers rapidly installed diesel and electric tube-wells. This massive expansion of groundwater and surface water infrastructure ensured constant irrigation necessary for double-cropping high-yield wheat and paddy.

traceability in the fisheries sector. What does this mean?
(A) Tracking the exact annual oceanic migration patterns of deep-sea whales and large mammals
(B) Tracking fish from catch to consumer to ensure safety and quality
(C) Geologically identifying deep underground freshwater aquifers for inland aquaculture units
(D) Strictly restricting coastal fishermen to specific, digitally traceable maritime state borders

44. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Green Revolution technologies were criticized for favoring large landowners over marginal farmers.
Reason (R): HYV seeds, fertilizers, and tube-well irrigation required substantial initial capital investment which small farmers could not afford.
Select the correct option:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

45. Which of the following regions was intentionally bypassed during the initial intensive phase of the Green Revolution due to a lack of assured irrigation infrastructure?
(A) Drylands of Central and Peninsular India
(B) The fertile and canal-irrigated plains of Western Uttar Pradesh
(C) The river-rich agricultural heartland of Punjab state
(D) The intensively farmed semi-arid terrain of Haryana state

46. The structural success of the Amul model heavily relies on its democratic nature. At the village level, who directly elects the management committee of the dairy cooperative?
(A) The locally elected Member of Legislative Assembly (MLA) serving the district
(B) The cabinet-rank State Cooperative Minister in charge of dairy affairs
(C) Milk-producing farmer members of the society
(D) The senior administrative officer serving as the District Collector

47. The "Yellow Revolution" achieved a major breakthrough in the production of which specific crop category?
(A) Tropical and subtropical citrus fruits like lemons and oranges
(B) High-value commercial spices including turmeric and saffron
(C) Hybrid yellow varieties of sweet maize and fodder corn
(D) Oilseeds such as mustard and soybean

48. Consider the following statements regarding the environmental critique of the Green Revolution:
I. It promoted the cultivation of traditional, drought-resistant millets.
II. It caused severe nitrate pollution in groundwater due to fertilizer runoff.
III. It led to an alarming decline in agricultural biodiversity.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

49. A key factor that catalyzed the Blue Revolution in India was the establishment of FFDAs. What does FFDA stand for?
(A) Federal Fisheries Distribution Authority
(B) Fish Farmers Development Agencies
(C) Foreign Fishing Deregulation Act
(D) Freshwater Flora Development Association

50. The Pradhan Mantri Matsya Sampada Yojana targets a significant reduction in post-harvest losses in the fisheries sector. What is the generally estimated baseline of these losses that the scheme seeks to reduce?
(A) 1-2%
(B) 5-10%
(C) 20-25%
(D) 50-60%

51. The Pink Revolution encompasses the technological modernization of slaughterhouses and meat processing units. What is a primary driver behind modernizing this sector?
(A) Meeting international sanitary standards for export
(B) To rapidly transition the entire domestic population to a meat-based protein diet

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smallholder farmers into multi-tiered dairy cooperatives. By establishing modern chilling units, processing facilities, and distribution channels, it systematically scaled up national milk output and created sustainable livelihood opportunities for rural producers.

18. (D) Verghese Kurien
Dr. Verghese Kurien is universally acknowledged as the Father of the White Revolution in India. As the founder of the Gujarat Cooperative Milk Marketing Federation and chairman of the National Dairy Development Board, he pioneered the Amul model. His vision empowered small-scale dairy farmers through cooperative structures, fundamentally modernizing Indian dairy production and marketing.

19. (A) A three-tier cooperative structure owned by milk producers
The Anand Pattern is a democratic three-tier dairy cooperative structure owned and controlled directly by milk producers. It consists of village-level dairy societies, district-level cooperative unions, and state-level marketing federations. This institutional framework ensures efficient milk collection, processing, and national marketing while guaranteeing that primary producers receive a substantial share of consumer market returns.

20. (C) 2, 3, 1
The Anand Pattern operates on a bottom-up three-tier structure. At the grassroots level sits the Village Dairy Cooperative Society, which collects milk directly from farmers. These local societies form the District Milk Producers' Union responsible for processing and regional distribution. At the top level, the State Cooperative Milk Producers' Federation oversees nationwide brand marketing and business strategy.

21. (A) National Dairy Development Board (NDDB)
The National Dairy Development Board was created in 1965 to replicate the success of the Amul cooperative model across India. Headquartered in Anand, Gujarat, the board spearheaded Operation Flood. It provided financial assistance, technical support, and organizational expertise to establish village dairy cooperatives, district unions, and state federations, revolutionizing the national dairy landscape.

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22. (D) Ensure maximum share of consumer price goes to farmers
Under the Amul cooperative structure, direct links were created between rural milk producers and ultimate urban consumers. By removing exploitative traditional middlemen and private contractors from the supply chain, the model significantly reduced transactional leakages. This ensured that a major portion of the retail consumer price flowed directly back to primary milk-producing farmers as income.

23. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Dairying requires minimal land holdings, making livestock ownership an accessible economic activity for smallholders, marginal farmers, and landless agricultural laborers. The White Revolution established organized cooperative procurement, providing these vulnerable groups with regular cash flow and guaranteed market access. Consequently, supplementary daily income from milk sales significantly enhanced the socio-economic status of rural households.

24. (C) Increasing fish production and aquaculture development
The Blue Revolution in India was launched to accelerate the growth of the fisheries sector and inland aquaculture. Its central focus was expanding aquatic food production, improving fisher folk livelihoods, and modernizing coastal and inland water infrastructure. By encouraging scientific fish farming and processing, the initiative strengthened national nutritional security and enhanced marine product export revenues.

25. (D) Both inland and marine fisheries
The strategic expansion of fisheries under the Blue Revolution encompasses both inland and marine ecosystems. Inland development focuses on fish production in rivers, reservoirs, tanks, and freshwater aquaculture units. Marine development covers coastal, offshore, and deep-sea fishing operations. Combining both domains optimizes overall aquatic yield, promotes sustainable resource utilization, and boosts rural livelihoods nationwide.

26. (A) Pradhan Mantri Matsya Sampada Yojana (PMMSY)
Pradhan Mantri Matsya Sampada Yojana is the flagship scheme launched by the Government of

and installing private tube-wells inefficient and expensive. Land consolidation enabled farmers to invest in tractors and groundwater tube-wells, maximizing operational efficiency and yields across consolidated fields.

62. (C) Ministry of Fisheries, Animal Husbandry and Dairying
The administration of the Pradhan Mantri Matsya Sampada Yojana falls directly under the Department of Fisheries within the Union Ministry of Fisheries, Animal Husbandry and Dairying. Created to give focused administrative direction to allied sectors, this ministry formulates policies, releases central funds, and oversees national implementation for sustainable fisheries growth.

63. (D) Marketing processed dairy products under a common brand
At the apex of the three-tier Anand Pattern, the State Cooperative Milk Producers' Federation handles macro-level commercial functions. It markets, distributes, and promotes processed dairy products under a unified brand name, such as Amul in Gujarat. The federation coordinates inter-district product flows, conducts national marketing campaigns, and manages long-term commercial strategy.

64. (C) Concessional wheat imports to meet shortages
Public Law 480 was a United States agricultural assistance program that supplied concessional wheat imports to India during the 1950s and 1960s. Facing domestic food deficits and monsoon failures, India relied on these shipments to feed its population, highlighting vulnerability and underscoring the urgency to achieve self-sufficiency via the Green Revolution.

65. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Green Revolution heavily emphasized wheat and rice through high price support, assured government procurement, and superior high-yielding seed technology. Because cultivating wheat and paddy proved far more profitable, farmers across major agricultural states systematically diverted acreage away from traditional pulses and coarse cereals. Consequently, national production of pulses and coarse grains declined relatively during this period.

66. (D) Professional management accountable to farmer-elected boards
The Anand Pattern succeeded over bureaucratic government dairies by combining democratic farmer control with professional corporate management. Elected farmer representatives on district and state boards establish policy directives, while hired professional managers handle processing operations, supply chain logistics, and competitive market branding. This structure maintains operational efficiency while ensuring farmer-centric business goals.

67. (A) Frozen shrimp
Frozen shrimp represents the largest share of India's seafood exports by both volume and value. Driven by the expansion of brackish-water aquaculture, particularly the farming of Pacific white shrimp (Litopenaeus vannamei), India has become a leading international shrimp supplier. This single commodity serves as the primary foreign exchange earner for the national marine products sector.

68. (C) New Delhi
The Indian Council of Agricultural Research maintains its central headquarters at Krishi Bhavan in New Delhi. Operating under the Department of Agricultural Research and Education, this apex autonomous organization coordinates agricultural research, higher education, and scientific extension services across a vast nationwide network of specialized research institutes and agricultural universities.

69. (A) I and II only
The Yellow Revolution was launched to expand domestic oilseed production and achieve self-reliance in edible oils, supported by the Technology Mission on Oilseeds in 1986. While output grew significantly, rapidly increasing domestic consumer demand outpaced domestic supply gains, meaning India did not permanently cease edible oil imports and remains an importer today.

70. (D) European Economic Community (EEC) and World Food Programme
Operation Flood generated initial funding through food aid provided by the European Economic Community and the World Food Programme. Donated milk powder and butter oil were reconstituted and sold in domestic urban markets by the National Dairy Development

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35. (B) I, II, and IV
The Evergreen Revolution, conceptualized by Dr. M.S. Swaminathan, advocates enhancing agricultural productivity without ecological harm. It emphasizes sustainable farming practices, biological pest control, water conservation, and soil health preservation. Rather than promoting excessive chemical usage, it seeks to integrate scientific technology with traditional ecological knowledge to ensure long-term food security without degrading natural resources.

36. (C) Yield maximization at any cost to sustainable productivity
The transition from the Green Revolution to the Evergreen Revolution represents a paradigm shift in agricultural policy. While the initial Green Revolution prioritized short-term yield maximization through heavy chemical and water inputs, the Evergreen Revolution focuses on sustainable productivity. It balances high crop outputs with soil preservation, water conservation, and ecological harmony to safeguard long-term national food production.

37. (A) Zila Parishad Milk Allocation Board
The Anand Pattern of dairy cooperatives is strictly structured into three distinct tiers: Village Dairy Cooperative Societies at the base, District Milk Producers' Unions in the middle, and State Cooperative Milk Producers' Federations at the apex. Non-cooperative political bodies like a Zila Parishad Milk Allocation Board form no part of this democratic farmer-owned operational hierarchy.

38. (D) Transforming India from food-deficient to a major global producer
The cumulative impact of the Green, White, and Blue revolutions fundamentally transformed India's macroeconomic landscape. By overcoming chronic food deficits and severe import reliance of the mid-twentieth century, India emerged as a self-sufficient nation and a major global exporter of foodgrains, milk, and seafood. This diversification strengthened national food security, rural economic stability, and trade revenues.

39. (B) Access to credit and subsidized inputs
Adopting Green Revolution technologies required significant capital for purchasing high-yielding seed varieties, synthetic fertilizers, chemical pesticides, and tube-well equipment. Access to institutional credit and subsidized agricultural inputs served as a critical prerequisite. Without affordable credit facilities and price support mechanisms, farmers could not make the upfront investments required to implement these intensive farming practices effectively.

40. (A) Introduction of Mexican HYV wheat, Launch of Operation Flood, Launch of Technology Mission on Oilseeds, Launch of PMMSY
Mexican high-yielding wheat varieties were introduced in the mid-1960s to initiate the Green Revolution. Operation Flood was launched in 1970 to organize the nationwide dairy sector. The Technology Mission on Oilseeds was established in 1986 to drive the Yellow Revolution. Pradhan Mantri Matsya Sampada Yojana was inaugurated in 2020 for modernized fisheries development.

41. (D) Emergence of resistant secondary pests and food chain toxicity
Heavy reliance on chemical pesticides during the Green Revolution triggered severe ecological imbalances. Continuous chemical applications eliminated natural predators, enabling minor pests to develop genetic resistance and turn into primary agricultural threats. Furthermore, toxic chemical residues accumulated in topsoil and regional groundwater, entering crop yields and causing biomagnification along food chains, posing risks to human health.

42. (A) Rivers, lakes, and reservoirs
In the context of the Blue Revolution, inland fisheries encompass aquatic production activities conducted in non-marine freshwater bodies. These include rivers, streams, natural lakes, freshwater ponds, canals, and man-made reservoirs. Inland fisheries focus on harvesting wild riverine fish species and practicing managed aquaculture in contained inland water bodies across non-coastal states.

43. (B) Tracking fish from catch to consumer to ensure safety and quality
Traceability under the Pradhan Mantri Matsya Sampada Yojana involves implementing systems that track aquatic produce along the entire supply chain, from initial catch or harvest to the final consumer. This tracking mechanism documents harvesting methods, handling conditions, transport temperatures, and processing steps, ensuring high hygiene standards, food safety

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households and rural communities, encouraging greater socio-political participation.

80. (A) Dependency on PL-480 imports → Adoption of Green Revolution HYV tech → Achievement of self-sufficiency → Shift towards Evergreen Revolution sustainability

India's food policy evolved systematically over decades. Facing food shortages in the 1950s, India relied heavily on foreign PL-480 imports. The adoption of high-yielding seeds in the mid-1960s drove the Green Revolution, transforming India into a self-sufficient grain producer. Modern policy now shifts toward the Evergreen Revolution to sustain yield gains without ecological degradation.

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fish seed production, hatcheries, and managed fingerling cultivation. The Silver Revolution advanced commercial poultry output through high-yield layer cross-breeding and specialized scientific housing systems.

53. (A) Green Rev favored large holdings; White Rev integrated landless and marginal farmers.
The Green Revolution required substantial arable land and heavy capital for machinery and chemical inputs, disproportionately benefiting large landowners. Conversely, the White Revolution centered on dairy farming, an activity requiring minimal land footprint. By organizing smallholders, landless laborers, and women into cooperatives, the White Revolution integrated small-scale producers into an equitable commercial value chain.

54. (D) Green Revolution techniques were causing irreversible ecological harm.
Dr. M.S. Swaminathan advocated for an Evergreen Revolution because intensive Green Revolution practices caused severe long-term ecological damage. Issues like falling groundwater tables, soil salinization, chemical pollution, and loss of biodiversity threatened future food production. The Evergreen Revolution framework seeks to increase farm productivity permanently without compromising the surrounding ecological environment.

55. (B) Connecting milk-deficient regions with surplus regions to balance supply.
The national milk grid established during Operation Flood systematically linked rural milk sheds with major urban consumption centers across India. By utilizing long-distance insulated road and rail tankers, the grid enabled efficient transfer of surplus liquid milk from high-producing rural districts to milk-deficient regions, stabilizing consumer prices and eliminating seasonal supply fluctuations nationwide.

56. (B) I, II, and IV
The Silver Revolution dramatically increased egg and poultry output by transitioning from traditional backyard systems to scientific, commercial production. This expansion relied on high-yielding exotic breeds, modern cage facilities, balanced nutritional feeds, and effective veterinary vaccines. Rather than focusing exclusively on low-yield indigenous birds, the sector embraced high-productivity layer lines to meet growing consumer demand.

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57. (D) Wheat
Wheat experienced the most dramatic yield breakthrough during the initial phase of the Green Revolution. The introduction of semi-dwarf Mexican wheat varieties, combined with controlled tube-well irrigation and chemical nitrogen application, led to an unprecedented jump in total output. This dramatic surge in wheat productivity was often referred to as the wheat revolution.

58. (A) It explicitly bans inland aquaculture in all landlocked states.
Pradhan Mantri Matsya Sampada Yojana actively promotes and expands inland aquaculture across landlocked states, making the claim of an explicit ban entirely incorrect. The flagship scheme provides financial grants, technical support, and infrastructural development for freshwater pond culture, biofloc systems, and recirculating aquaculture networks to maximize fish production in non-coastal states nationwide.

59. (B) Synthetic nitrogenous fertilizers
High-yielding seed varieties introduced during the Green Revolution required intensive applications of synthetic nitrogenous fertilizers, primarily urea, to achieve maximum yields. Because the commercial production of synthetic nitrogen fertilizers relies heavily on natural gas and petroleum feedstocks, domestic agricultural production costs became directly linked to and sensitive to global fossil fuel price fluctuations.

60. (A) 3, 2, 1, 4
The Amul milk collection cycle begins when individual farmers milk their cattle in rural villages. The fresh milk is delivered to the local Village Cooperative Society for testing, weighing, and immediate chilling. Chilled bulk milk is then transported to the District Union plant for pasteurization and processing, before final marketing by the State Federation.

61. (A) Made private tube-wells and tractor mechanization economically viable
Consolidating fragmented agricultural parcels into contiguous landholdings was crucial for adopting Green Revolution technology in Punjab. Fragmented plots made operating heavy machinery, laying irrigation channels,

compliance, and enhanced competitiveness in international export markets.

44. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Green Revolution technologies required substantial capital outlay for expensive high-yielding seeds, continuous chemical fertilizers, pesticides, and powered tube-well irrigation infrastructure. Because marginal and small farmers lacked adequate liquid capital and institutional credit access, wealthy landowners adopted these innovations much faster. Consequently, early technological gains disproportionately favored large farm owners over resource-constrained smallholders.

45. (A) Drylands of Central and Peninsular India
The initial phase of the Green Revolution bypassed the rainfed drylands of Central and Peninsular India due to lack of assured irrigation infrastructure. High-yielding seed strains required precise and controlled water applications, which rainfed regions could not guarantee. Consequently, technology adoption was directed toward canal-irrigated northwestern plains, leaving semi-arid regions reliant on unreliable seasonal monsoons.

46. (C) Milk-producing farmer members of the society
The democratic framework of the Amul model ensures that power resides directly with primary milk producers. At the village level, registered milk-producing farmer members elect the management committee of the Village Dairy Cooperative Society. This elected body oversees daily collection operations, pricing transparency, and resource allocation, maintaining complete institutional accountability to the local farming community.

47. (D) Oilseeds such as mustard and soybean
The Yellow Revolution achieved a significant breakthrough in the production of major oilseeds, including mustard, soybean, groundnut, sunflower, and sesame. Launched to reduce India's heavy dependence on imported edible oils, the campaign combined high-yielding hybrid seeds, modern cultivation techniques, better processing technology, and floor price support to boost national oilseed harvests.

48. (B) II and III only
Environmental critics highlight that the Green Revolution caused heavy nitrate contamination in groundwater due to excessive nitrogenous fertilizer runoff. It also triggered a sharp decline in agricultural biodiversity as uniform high-yielding varieties replaced native crop strains. Contrary to promoting drought-resistant millets, the policy diverted land away from traditional coarse grains toward water-intensive crops.

49. (B) Fish Farmers Development Agencies
Fish Farmers Development Agencies were established at the district level to catalyze the Blue Revolution across India. These agencies served as vital institutional platforms, providing technical training, financial subsidies, water lease assistance, and scientific extension services to prospective aquaculture farmers. Their widespread network promoted modern fish culture practices in inland ponds and reservoirs nationwide.

50. (C) 20-25%
Post-harvest losses in the Indian fisheries sector historically range between 20 and 25 percent due to inadequate cold storage, inefficient transportation, and inadequate processing infrastructure. The Pradhan Mantri Matsya Sampada Yojana targets reducing these substantial losses through modern ice plants, cold chain logistics, refrigerated vehicles, and modernized fish landing centers across coastal and inland regions.

51. (A) Meeting international sanitary standards for export
Modernizing slaughterhouses and processing facilities under the Pink Revolution is primarily driven by the need to meet strict international sanitary and phytosanitary standards. Establishing hygienic processing, cold chain storage, and disease-free production systems allows Indian meat products to access high-value export markets globally, boosting foreign exchange earnings and expanding commercial livestock economies.

52. (C) P-4, Q-2, R-3, S-1
The Green Revolution relied on chemical fertilizers and high-yielding seed varieties. The White Revolution utilized artificial insemination, cross-breeding, and veterinary health management. The Blue Revolution focused on

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Board. The generated capital was directly reinvested into building modern dairy processing infrastructure and cooperative networks.

71. (B) Layers are reared for eggs, while broilers are reared for meat.
In modern scientific poultry management, birds are specialized based on output objectives. Layers are female chickens bred and managed specifically for efficient, long-term egg production. Broilers are quick-growing chicken strains raised specifically for high-quality meat yield. Recognizing this operational distinction enabled tailored nutrition and housing practices during the Silver Revolution.

72. (C) Integrated Pest Management combining biological and minimal chemical controls
The Evergreen Revolution advocates Integrated Pest Management to control crop pests sustainably. Rather than relying exclusively on chemical pesticides, this ecologically sound approach combines natural biological predators, resistant crop varieties, crop rotation, and physical barriers. Chemical pesticides are applied sparingly and only as a last resort, preventing ecological toxicity and insect resistance.

73. (D) P-2, Q-3, R-1, S-4
Intensive tube-well pumping led directly to groundwater depletion. Over-irrigation via unlined canals caused waterlogging and soil salinization. Excessive nitrogenous fertilizer application resulted in severe nitrate contamination of drinking water sources. Finally, widespread monoculture adoption of standardized high-yielding varieties caused the loss of diverse indigenous seed varieties across major farming belts.

74. (A) Generic drugs and vaccines
In the pharmaceutical domain, the Pink Revolution denotes the rapid growth and global expansion of India's generic drug and vaccine manufacturing capacities. Through cost-effective chemical synthesis, reverse engineering capabilities, and robust manufacturing facilities, Indian firms became leading global suppliers of affordable generic medicines and life-saving vaccines to developing and developed nations alike.

75. (B) Eastern India (Bihar, UP, Odisha)
The first two decades of the Green Revolution bypassed Eastern India, including states like Bihar, Eastern Uttar Pradesh, Odisha, and West Bengal. Unlike the northwestern plains, Eastern India lacked regulated canal networks, reliable rural electrification, and institutional credit access. Consequently, smallholders in this high-rainfall region could not adopt capital-intensive high-yielding seeds effectively.

76. (B) National Dairy Development Board
NDDB stands for National Dairy Development Board, an institution of national importance established in 1965. Created to spearhead dairy development across India, NDDB designed and executed Operation Flood. It provides financing, technical guidance, and administrative support to foster producer-owned dairy cooperatives, fundamentally transforming the structure of rural livestock farming nationwide.

77. (B) I, II, and IV
The Pink Revolution encompasses modernizing the livestock and poultry processing sector, expanding cold chain infrastructure, and promoting high-value meat exports. It also correlates with advancements in pharmaceutical generic manufacturing. The statement claiming a strict ban on processed meat exports is incorrect, as encouraging international meat exports is a central objective of the modernization strategy.

78. (C) Controlled breeding and harvesting of aquatic organisms
Aquaculture refers to the managed, scientific cultivation of aquatic organisms, including fish, crustaceans, mollusks, and aquatic plants. Unlike capture fishing in open oceans, aquaculture involves controlled breeding, stocking, feeding, and harvesting in defined freshwater, brackish, or marine environments. It forms a cornerstone of the Blue Revolution, ensuring sustainable seafood production.

79. (D) Financial empowerment of rural women through dairy cooperatives
A major socio-economic impact of the White Revolution was the financial empowerment of rural women. Since women perform most cattle care and milking tasks, village dairy cooperatives enabled them to sell milk directly and receive regular cash payments. This economic independence elevated their status within

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indicative planning.
(C) It retained a purely directive planning approach without private sector involvement.
(D) It formed a core component of the broader poverty alleviation and economic restructuring framework.

10. Consider the following statements regarding the Second Five-Year Plan:
I. It was based on the Mahalanobis model.
II. It focused heavily on public sector-led capital goods creation.
III. It shifted the primary focus entirely away from industrialization to agriculture.
Which of the combinations of the above statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

11. The Ninth to Eleventh Five-Year Plans shifted the national planning discourse predominantly toward which of the following themes?
(A) Rapid privatization of all heavy industries
(B) Complete decentralization of financial powers to Panchayats
(C) Exclusive focus on export-led growth
(D) Growth with social justice and inclusive growth

12. What was the central theme of the Twelfth Five-Year Plan (2012-17)?
(A) Strategic self-reliance and complete elimination of net foreign aid
(B) Faster, sustainable, and more inclusive growth
(C) Systematic poverty alleviation coupled with national population control
(D) Full transition toward the establishment of a pure market economy

13. Which of the following best describes the transition that occurred in India's planning system in January 2015?
(A) The Planning Commission was granted constitutional status.
(B) The National Development Council replaced the Finance Commission.
(C) The Planning Commission was replaced by NITI Aayog.
(D) NITI Aayog was merged with the Finance Ministry.

14. Which entity serves as the primary think tank of the Government of India, facilitating cooperative federalism?
(A) Finance Commission
(B) National Development Council
(C) Inter-State Council
(D) NITI Aayog

15. Consider the following statements about NITI Aayog:
I. It acts as a think tank for the government.
II. It allocates financial resources to states for plan expenditure.
III. Its Governing Council includes Chief Ministers of all States.
IV. It replaced the Planning Commission in 2015.
Which combination of the above statements is incorrect?
(A) I and III only
(B) II only
(C) III and IV only
(D) I, II, and IV

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16. In the organizational structure of NITI Aayog, who chairs the Governing Council?
(A) The President of India
(B) The Prime Minister of India
(C) The Union Finance Minister
(D) The Vice-Chairman of NITI Aayog

17. The transition from directive planning to indicative planning in India became most prominent after which major event?
(A) The nationwide nationalization of major commercial banks in 1969
(B) The economic liberalization reforms of 1991
(C) The formal adoption of the Constitution of India in 1950
(D) The official launch of the First Five-Year Plan in 1951

18. Indicative planning, as adopted by India post-1991, relies primarily on which mechanism to achieve economic targets?
(A) Market signals and active private sector participation
(B) Mandatory state-enforced output quotas for central industrial production
(C) Complete and exclusive state ownership across all national capital goods
(D) Total abolition and prohibition of the private sector in core strategic areas

CHAPTER 10

Five Year Plans and Planning System

1. Following independence, India adopted a centralized planning model that was heavily inspired by the economic planning system of which of the following?
(A) United States of America
(B) Soviet Union
(C) United Kingdom
(D) West Germany

2. The First Five-Year Plan of India was primarily based on which economic model?
(A) Harrod-Domar model
(B) Mahalanobis planning model
(C) Solow-Swan growth model
(D) Lewis dual-sector model

3. What was the primary focus area of the First Five-Year Plan (1951-56)?
(A) Heavy industry and manufacturing
(B) Service sector and IT
(C) Agriculture and irrigation
(D) Poverty alleviation and employment

4. Which fundamental shift in strategic focus occurred during the transition from the First to the Second Five-Year Plan?
(A) From centralized planning to decentralized planning
(B) From heavy industry to poverty alleviation programs
(C) From indicative planning to directive planning
(D) From agriculture to public sector-led heavy industry

5. Match the Five-Year Plans in List I with their primary strategic focus or model in List II.
List I: Five-Year Plan
P. First Plan
Q. Second Plan
R. Sixth to Eighth Plans
S. Twelfth Plan
List II: Focus or Model
1. Poverty alleviation
2. Agriculture and irrigation
3. Faster, sustainable and inclusive growth
4. Heavy industry emphasis
(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-4, R-1, S-3
(D) P-1, Q-3, R-2, S-4

6. The Mahalanobis model, which underpinned the Second Five-Year Plan, explicitly advocated for the rapid expansion of which of the following?
(A) Private sector consumer goods and retail markets
(B) Public sector capital goods and heavy industries
(C) Foreign direct investment in service and IT sectors
(D) Agricultural exports and rural commercial farming

7. The strategic shift towards self-reliance during the Third to Fifth Five-Year Plans was heavily influenced by which of the following factors?
(A) The rapid success of early agricultural green revolution initiatives
(B) The full implementation of the landmark 1991 economic reforms
(C) The formal establishment of NITI Aayog as a national think tank
(D) External military conflicts and consecutive severe droughts

8. In the context of India's planning history, the slogan "Garibi Hatao" (Poverty Alleviation) is most closely associated with the era covering which sequence of plans?
(A) First to Third Plans
(B) Third and Fourth Plans
(C) Sixth to Eighth Plans
(D) Tenth and Eleventh Plans

9. Identify the incorrect statement regarding the Eighth Five-Year Plan.
(A) It marked a major economic transition period coinciding directly with the 1991 market reforms.
(B) It systematically initiated a strategic macroeconomic shift towards market-guided

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India for holistic development in the fisheries sector. It aims to address critical gaps in fish production, infrastructure, post-harvest management, and market linkages. The program promotes sustainable practices, enhances fishers' income, and fosters eco-friendly aquaculture development across marine and inland water bodies.

27. (B) I and II only
Pradhan Mantri Matsya Sampada Yojana focuses on doubling the incomes of fishers and fish farmers while modernizing post-harvest infrastructure to reduce wastage. Contrary to discouraging female participation, the scheme actively encourages women's involvement through targeted subsidies and institutional support for fish processing, marketing, and self-help group enterprises within the expanding national aquaculture economy.

28. (B) Increased rural labour absorption due to multiple cropping demands
The initial adoption of Green Revolution technologies increased demand for rural labor in regions like Punjab and Haryana. Short-duration high-yielding varieties enabled multiple cropping, requiring frequent land preparation, planting, weeding, and harvesting activities throughout the year. This shift from single-cropping cycles expanded year-round agricultural employment opportunities and attracted seasonal migrant labor from neighboring states.

29. (A) Rapid increase in agricultural mechanization
In later stages of the Green Revolution, employment growth relative to agricultural output slowed down significantly due to widespread farm mechanization. The extensive adoption of tractors, seed drills, combine harvesters, and mechanical threshers replaced labor-intensive manual operations. Consequently, total labor required per unit of cultivated area declined, leading to a falling elasticity of agricultural employment.

30. (C) Yellow Revolution
The Yellow Revolution was launched in the mid-1980s to achieve self-sufficiency in edible oil production. A major catalyst was the establishment of the Technology Mission on Oilseeds in 1986. This initiative introduced high-yielding oilseed varieties, modern processing technologies, and institutional support for crops such as mustard, soybean, sunflower, and groundnut across rainfed agricultural zones.

31. (D) P-4, Q-1, R-2, S-3
Dr. Verghese Kurien spearheaded Operation Flood, driving nationwide dairy transformation. Dr. M.S. Swaminathan coined the term Evergreen Revolution to emphasize ecological agricultural sustainability. The National Dairy Development Board established the national network of milk cooperatives. The Indian Council of Agricultural Research serves as the premier apex body directing national agricultural research, extension, and technological innovation.

32. (C) Meat processing and pharmaceuticals
The Pink Revolution in India represents advancements and modernization primarily within meat processing and pharmaceutical sectors. In animal husbandry, it focuses on modernizing slaughterhouses, improving hygienic standards, and expanding cold storage to boost meat export revenues. In the pharmaceutical sector, it reflects rapid growth in vaccine development, active ingredients, and generic medicine manufacturing capacity.

33. (B) Eggs and Poultry production
The Silver Revolution refers to the dramatic growth and modernization of the poultry and egg production sector in India. Driven by scientific breeding, improved medical vaccination programs, modern farm management practices, and private entrepreneurship, this movement significantly increased national egg availability. It transformed traditional backyard poultry into a highly organized, commercialized, and technologically driven industry.

34. (D) Provide agricultural research, seed development, and extension services
The Indian Council of Agricultural Research functions as the autonomous apex organization for coordinating, guiding, and managing agricultural research and education. During various production revolutions, it spearheaded high-yielding seed development, crop protection research, soil management techniques, and extension services, transferring scientific laboratory innovations directly to farmers across diverse agro-climatic zones nationwide.

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19. Under the 74th Constitutional Amendment Act, which body is mandated to consolidate plans prepared by panchayats and municipalities in a district?
(A) State Planning and Development Board
(B) Regional Infrastructure Development Authority
(C) District Planning Committee (DPC)
(D) Zila Parishad Standing Executive Committee

20. Given below are two statements: one is labeled as Assertion (A) and the other is labeled as Reason (R).
Assertion (A): The Planning Commission of India was dissolved and replaced by NITI Aayog.
Reason (R): The government wanted to shift from a top-down planning approach to a cooperative federalism model.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

21. Which global framework is aligned with India's Voluntary National Review (VNR) process undertaken by NITI Aayog?
(A) World Trade Organization Doha Development Agenda
(B) Paris Climate Agreement framework on emissions
(C) Sustainable Development Goals (SDGs)
(D) United Nations Millennium Development Goals (MDGs)

22. Which of the following represents the correct chronological order of the respective Five-Year Plans?
(A) Harrod-Domar model plan, Shift to inclusive growth plan, Garibi Hatao era plan, Final Five-Year Plan
(B) Harrod-Domar model plan, Garibi Hatao era plan, Shift to inclusive growth plan, Final Five-Year Plan
(C) Garibi Hatao era plan, Harrod-Domar model plan, Final Five-Year Plan, Shift to inclusive growth plan
(D) Shift to inclusive growth plan, Final Five-Year Plan, Harrod-Domar model plan, Garibi Hatao era plan

23. One of the major achievements of the Five-Year Planning system in India was creating institutional support for agricultural productivity. This support directly facilitated which of the following?
(A) The White Revolution
(B) The nationalization of commercial banks
(C) The establishment of Special Economic Zones
(D) The Green Revolution

24. A major criticism of the centralized planning era (pre-1991) was its tendency to cause inefficiencies. This was primarily attributed to which of the following?
(A) Bureaucratic delays and inefficient public sector investments
(B) Excessive macroeconomic dependence on foreign direct investment inflows
(C) Absolute lack of any central public sector intervention in industrial growth
(D) Complete structural absence of heavy capital goods industries nationwide

25. Match the planning bodies or concepts in List I with their key characteristics in List II.
List I: Body or Concept
P. Planning Commission
Q. NITI Aayog
R. Indicative Planning
S. District Planning Committee
List II: Key Characteristic
1. Bottom-up planning at local level
2. Market-guided resource allocation
3. Power of fund allocation
4. Think tank role
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-1, S-2
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-1, R-4, S-3

26. In the era of the Planning Commission, what was the primary responsibility of the Deputy Chairman?
(A) To oversee day-to-day formulation and execution of Five-Year Plans
(B) To formally preside over and direct meetings of the National Development Council
(C) To serve as the primary ceremonial and administrative head of the Commission
(D) To introduce, debate, and pass the Union Budget within the Parliament

27. How does NITI Aayog fundamentally differ from the erstwhile Planning Commission regarding financial powers?

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(A) NITI Aayog directly allocates substantially more financial grants to states than the Planning Commission ever did.
(B) NITI Aayog explicitly dictates and mandates state annual budgetary expenditures directly from the Centre.
(C) NITI Aayog exclusively disburses capital development funds directly to private sector entities.
(D) NITI Aayog has no mandate to allocate funds, acting purely as an advisory body.

28. Which mechanism has historically been responsible for determining Central financial assistance to states for non-plan expenditures, independent of the Planning Commission?
(A) Inter-State Council
(B) Finance Commission
(C) National Development Council
(D) Reserve Bank of India

29. The Aspirational Districts Programme, launched by NITI Aayog, is primarily based on which development model?
(A) Top-down directive planning
(B) Exclusive foreign funding for backward districts
(C) Convergence of central and state schemes
(D) Privatization of district administration

30. Consider the following statements regarding the Aspirational Districts Programme:
I. It is monitored by NITI Aayog.
II. It focuses on convergence, collaboration, and competition among districts.
III. It aims to rapidly transform underdeveloped districts.
Which of the combinations of the above statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

31. Which tool does NITI Aayog use to continuously monitor and rank the performance of Indian States and Union Territories on global development targets?
(A) SDG India Index
(B) Multidimensional Poverty Index
(C) Human Development Index
(D) Ease of Doing Business Index

32. Decentralized planning through Panchayati Raj institutions was systematically structured across India primarily following which constitutional amendment?
(A) 42nd Amendment
(B) 73rd Amendment
(C) 44th Amendment
(D) 86th Amendment

33. The growth of the Public-Private Partnership (PPP) model in India post-1991 represents which shift in the planning process?
(A) Complete substitution and replacement of all private investment by state public funding outlays
(B) Private investment supplementing and substituting public planning outlays
(C) State governments systematically taking over and nationalizing all private enterprise operations
(D) The total structural abolition and elimination of the public sector across all essential services

34. Following the end of the Five-Year Plans, NITI Aayog introduced a new long-term planning framework. What is the duration of the Vision Document proposed under this framework?
(A) 5 years
(B) 7 years
(C) 10 years
(D) 15 years

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35. Consider the following statements regarding India's planning strategy post-2015:
I. The Five-Year Plans were replaced by a 15-year vision document.
II. A 7-year strategy paper was introduced to implement the vision.
III. A 3-year action agenda was designed for immediate policy actions.
IV. State planning boards were universally abolished.
Which combination of the above statements is correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I and IV only
(D) I, II, III, and IV

36. Which Five-Year Plan in India was the final one to be drafted and executed before the planning system was fundamentally restructured?
(A) Tenth Plan

(B) Eleventh Plan
(C) Thirteenth Plan
(D) Twelfth Plan

37. Which state-level body is constitutionally designed to integrate rural and urban plans into a single comprehensive draft development plan for the district?
(A) State Finance and Development Commission
(B) Zila Parishad Executive Standing Committee
(C) District Planning Committee
(D) Urban Municipal Corporation Council

38. NITI Aayog's organizational structure comprises full-time members. In addition to them, who serves as the administrative head of the Aayog?
(A) Cabinet Secretary to the Government of India
(B) Chief Executive Officer (CEO)
(C) Finance Secretary in the Ministry of Finance
(D) Deputy Chairman of the Planning Commission

39. Which of the following is NOT an objective of NITI Aayog?
(A) Fostering cooperative federalism
(B) Designing strategic and long-term policy frameworks
(C) Acting as a platform for resolution of inter-sectoral issues
(D) Allocating central plan funds to state governments

40. Given below are two statements: one is labeled as Assertion (A) and the other is labeled as Reason (R).
Assertion (A): The Third Five-Year Plan failed to achieve its targeted growth rate.
Reason (R): The period was marked by the Indo-China war, the Indo-Pak war, and severe consecutive droughts.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

41. In the context of plan financing during the Planning Commission era, Central assistance to states was historically based on which famous formula?
(A) Mahalanobis Heavy Growth Formula
(B) Harrod-Domar Economic Growth Formula
(C) Gadgil-Mukherjee Formula
(D) Kelkar Tax Reforms Task Force Formula

42. Arrange the following economic planning milestones in India in the correct chronological sequence:
I. Introduction of the Mahalanobis model
II. Introduction of the Harrod-Domar model
III. Launch of the 15-year Vision Document by NITI Aayog
IV. Commencement of the "Garibi Hatao" era plans
(A) II, I, IV, III
(B) I, II, III, IV
(C) II, IV, I, III
(D) I, II, IV, III

43. In state-level planning in India, which institution forms the lowest tier in initiating the decentralized planning process in rural areas?
(A) Panchayat Samiti
(B) Zila Parishad
(C) District Planning Committee
(D) Gram Panchayat

44. The institutional support for the Green Revolution was predominantly consolidated during which phase of India's planning?
(A) First and Second Five-Year Plans focus period
(B) Third Plan and subsequent Annual Plans
(C) Eighth and Ninth Five-Year Plans development era
(D) Eleventh and Twelfth Five-Year Plans expansion phase

45. Match the focus areas in List I with their corresponding Five-Year Plan periods in List II.
List I: Focus Area
P. Industrial base creation
Q. Inclusive growth emphasis
R. Transition to market-guided planning
S. Agriculture and irrigation
List II: Plan Period
1. First Plan
2. Second Plan
3. Eighth Plan
4. Eleventh Plan
(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-3, R-1, S-4
(C) P-2, Q-4, R-3, S-1
(D) P-3, Q-4, R-2, S-1

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(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

79. Which element constitutes a key functional component of NITI Aayog's strategy to address regional imbalances in states, including border and desert areas?
(A) Regional Councils convened to address specific issues affecting multiple states
(B) Systematically centralizing all state administrative and financial allocation powers at the Centre
(C) Directly issuing binding executive orders to state assemblies on local legislative matters
(D) Completely dissolving and dismantling local self-governing bodies across rural areas

80. The core philosophy of decentralized planning implies that the planning process should ideally begin at which of the following levels?
(A) Planning secretariats located in state capitals
(B) Grassroots and local self-government level
(C) Centralized decision-making bodies within Union government ministries
(D) Strategic policy divisions of international funding agencies

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(D) 1990-1992

54. The Aspirational Districts Programme evaluates districts across several core socio-economic themes. Which of the following is typically NOT one of these primary themes?
(A) Health and Nutrition
(B) Heavy Industrial Output
(C) Education
(D) Agriculture and Water Resources

55. Consider the following statements about the Public-Private Partnership (PPP) model in India's planning post-1991:
I. It helped substitute diminishing public investment in infrastructure.
II. It restricted private sector entry into essential services.
III. It facilitated the influx of private capital and expertise.
IV. It became a core strategy in Five-Year Plans from the Tenth Plan onwards.
Which combination of the above statements is correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

56. NITI Aayog prepares the Voluntary National Review (VNR) to present India's progress on which international forum?
(A) UN High-Level Political Forum on Sustainable Development
(B) World Economic Forum (WEF) Annual Meeting on Global Governance
(C) G20 Leaders Summit on International Economic Cooperation and Growth
(D) International Monetary Fund and World Bank Group Annual Meetings

57. Identify the incorrect statement concerning decentralized planning in India.
(A) The 73rd Constitutional Amendment Act formally provided constitutional recognition and status to Panchayats.
(B) Decentralized planning systematically aims to incorporate diverse local needs into national development strategies.
(C) District Planning Committees draft development plans exclusively for urban municipal areas.
(D) Bottom-up collaborative planning represents a core foundational principle of NITI Aayog's guiding framework.

58. The shift from the Planning Commission to NITI Aayog significantly altered state-level planning by emphasizing:
(A) Competitive and cooperative federalism
(B) Centralized allocation of state funds
(C) Abolition of state budgets
(D) Uniform imposition of central schemes without state consultation

59. The strategy of using NITI Aayog's SDG India Index encourages states to improve their performance through which mechanism?
(A) Direct punitive reduction of central tax devolution shares to underperforming states
(B) Mandatory nationalization and central takeover of state natural resources
(C) Complete withdrawal and cancellation of all central financial development support
(D) Competitive federalism driven by ranking visibility

60. Given below are two statements: one is labeled as Assertion (A) and the other is labeled as Reason (R).
Assertion (A): Post-1991, India witnessed a rapid growth of the Public-Private Partnership (PPP) model in infrastructure development.
Reason (R): The government lacked sufficient capital resources to independently fund massive infrastructure projects required for high growth.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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61. Under the NITI Aayog framework, which specific document replaced the traditional comprehensive Five-Year Plan to outline the country's immediate policy priorities over a three-year horizon?
(A) 7-Year Strategy Paper
(B) 15-Year Vision Document
(C) 3-Year Action Agenda
(D) Annual Financial Statement

62. Which of the following sequences accurately reflects the shift in India's broad planning philosophy from 1951 to the present?
(A) Centralized Directive Planning → Indicative Planning → Cooperative Federalism-based

46. The SDG India Index computes state rankings on various sustainable development parameters. Which organization publishes this index?
(A) Ministry of Statistics and Programme Implementation
(B) Finance Commission
(C) Reserve Bank of India
(D) NITI Aayog

47. Consider the following statements regarding indicative planning:
Statement I: It involves mandatory targets set by the state that private industries must achieve under penalty of law.
Statement II: It relies on market incentives, policy guidance, and public-private cooperation to achieve national goals.
Which of the above statements is correct?
(A) Both Statement I and Statement II are correct
(B) Both Statement I and Statement II are incorrect
(C) Statement I is correct but Statement II is incorrect
(D) Statement I is incorrect but Statement II is correct

48. During the transition in 1991, India's Five-Year Plans had to adapt to severe macroeconomic challenges. Which of the following was a key feature of the planning system's adaptation during the Eighth Plan?
(A) Complete nationalization and central state ownership of major industries
(B) Deregulation and expanding the role of private capital
(C) Instant abolition and dismantling of the central Planning Commission
(D) Reverting strictly to the classical Harrod-Domar economic growth model

49. The concept of "cooperative federalism," heavily emphasized by NITI Aayog, implies which of the following relationships in the context of planning?
(A) States must strictly cooperate with and directly obey all central government policy directives.
(B) The Centre and States collaborate as equal partners in national development.
(C) Individual states cooperate exclusively with each other without any central government involvement.
(D) The central government delegates all sovereign foreign policy decisions directly to individual states.

50. Consider the following statements regarding the role of the Finance Commission vs the Planning Commission (historically):
I. The Finance Commission is a constitutional body.
II. The Planning Commission was a statutory body created by an Act of Parliament.
III. The Planning Commission determined plan grants to states.
Which of the combinations of the above statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

51. Which of the following best describes a fundamental distinction between the Planning Commission and NITI Aayog?
(A) The Planning Commission rigidly followed a bottom-up policy approach, whereas NITI Aayog exclusively enforces a centralized top-down planning approach.
(B) The Planning Commission automatically included all state Chief Ministers by default, whereas NITI Aayog completely excludes them from its governing bodies.
(C) The Planning Commission had fund allocation powers, whereas NITI Aayog operates as an advisory think tank.
(D) The Planning Commission was established as a full constitutional body, whereas NITI Aayog operates as a non-statutory informal platform.

52. The Twelfth Five-Year Plan document explicitly used three main adjectives to define its growth target. Two of them were "sustainable" and "more inclusive". What was the third?
(A) Slower
(B) Balanced
(C) Independent
(D) Faster

53. Which period in Indian planning is famously referred to as the "Plan Holiday" due to severe economic disruptions caused by wars and droughts?
(A) 1951-1954
(B) 1966-1969
(C) 1978-1980

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(D) I, II, and III

71. The Eighth Five-Year Plan could not take off in 1990 due to political instability and severe economic crisis, resulting in two Annual Plans. In which year was the Eighth Plan finally launched?
(A) 1991
(B) 1992
(C) 1993
(D) 1994

72. Arrange the following conceptual shifts in India's planning strategy in the order they historically emerged:
I. Emphasis on rapid industrialization and heavy industries
II. Shift towards structural economic reforms and indicative planning
III. Dominant focus on agricultural sector to solve food crises
IV. Replacement of Five-Year Plans with Vision and Action frameworks
(A) III, I, II, IV
(B) I, III, II, IV
(C) III, II, I, IV
(D) I, II, III, IV

73. Which index developed by NITI Aayog is used to rank states based on their performance in water resource management?
(A) National Multidimensional Poverty and Deprivation Index
(B) State Health and Sanitation Performance Index
(C) Composite Water Management Index
(D) National Export Preparedness and Competitiveness Index

74. Which of the following is the odd one out with respect to the core objectives of the Twelfth Five-Year Plan?
(A) Eradication of the private sector
(B) Accelerating faster overall economic growth
(C) Promoting long-term environmental and economic sustainable development
(D) Achieving equitable and broad-based inclusive growth

75. Consider the following statements about plan financing:
I. Central plan assistance historically required the approval of the Planning Commission.
II. Post the abolition of the Planning Commission, plan and non-plan expenditure distinctions were removed from the Union Budget.
III. The Finance Commission is now the primary mechanism for central tax devolution to states.
IV. NITI Aayog has absolute authority over state financial allocations.
Which combination of the above statements is correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I and IV only
(D) I, II, III, and IV

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76. The historical transition from the Fifth Plan to the Sixth Plan involved a strong focus on poverty alleviation. Which Prime Minister is most famously associated with launching the "Garibi Hatao" campaign during this broader planning era?
(A) Jawaharlal Nehru
(B) Indira Gandhi
(C) Lal Bahadur Shastri
(D) Rajiv Gandhi

77. Which of the following options represents the most appropriate justification for India shifting to indicative planning in the 1990s?
(A) The economic decline of the Soviet Union in the 1980s conclusively proved central directive planning was obsolete.
(B) The domestic agricultural sector completely collapsed nationwide, demanding immediate heavy state industrial intervention.
(C) The 1991 balance of payments crisis mandated liberalization and reliance on private investment.
(D) External foreign donor governments and international bodies mandated the immediate abolition of the Planning Commission.

78. Given below are two statements: one is labeled as Assertion (A) and the other is labeled as Reason (R).
Assertion (A): The Planning Commission faced severe criticism for standardizing policies across all Indian states without accounting for regional diversities.
Reason (R): NITI Aayog was established with a mandate to foster cooperative federalism and tailor approaches to specific state realities.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.

Think Tank Planning
(B) Indicative Planning → Cooperative Federalism-based Think Tank Planning → Centralized Directive Planning
(C) Cooperative Federalism-based Think Tank Planning → Centralized Directive Planning → Indicative Planning
(D) Centralized Directive Planning → Cooperative Federalism-based Think Tank Planning → Indicative Planning

63. One of the central achievements of the heavy industry emphasis during the Second Five-Year Plan was the establishment of multiple steel plants in India. Which of the following models inspired this capital-intensive approach?
(A) Mahalanobis model
(B) Harrod-Domar model
(C) PURA model
(D) Gandhian model

64. The transition to the Ninth, Tenth, and Eleventh Five-Year Plans brought a conceptual shift recognizing that economic growth alone was insufficient. This led to the explicit adoption of which policy objective?
(A) Comprehensive import substitution and trade protectionism
(B) Inclusive growth and social justice
(C) Deregulated laissez-faire market capitalism
(D) Absolute nationalization of private industrial capital

65. Match the NITI Aayog related documents in List I with their prescribed duration in List II.
List I: Document or Framework
P. Vision Document
Q. Strategy Paper
R. Action Agenda
S. Sustainable Development Goals horizon
List II: Duration or Horizon
1. 3 years
2. 7 years
3. 15 years
4. Targeted for 2030
(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-2, R-1, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-3, R-1, S-4

66. NITI Aayog incorporates special invitees into its Governing Council. Who holds the authority to nominate these special invitees?
(A) The Prime Minister of India
(B) The President of India acting on Cabinet advice
(C) The Lok Sabha Speaker in consultation with Parliament
(D) The Union Finance Minister heading the Cabinet Committee

67. Which of the following is considered the most significant bottleneck or criticism of the pre-1991 centralized planning system in India?
(A) Over-reliance on agricultural exports
(B) Lack of any industrial output
(C) Red tapism and bureaucratic delays
(D) Immediate privatization of public assets

68. The "Rolling Plan" concept was briefly introduced in Indian planning history between which of the following plan periods?
(A) Second and Third Plans
(B) Fourth and Fifth Plans
(C) Fifth and Sixth Plans
(D) Seventh and Eighth Plans

69. Which of the following statements best describes the composition of a District Planning Committee (DPC) as mandated by the 74th Constitutional Amendment?
(A) It consists exclusively of senior administrative members directly nominated by the State Governor.
(B) It comprises purely of specialized technical experts and economic advisors appointed by NITI Aayog.
(C) Four-fifths of members are elected by and from district Panchayats and Municipalities.
(D) It is mandatorily chaired ex-officio by the Chief Minister or Finance Minister of the State.

70. Consider the following statements regarding the Soviet-inspired centralized planning model adopted by India:
I. It involved centralized formulation of economic targets.
II. It relied entirely on market forces without state intervention.
III. It historically favored strong public sector control over the commanding heights of the economy.
Which of the combinations of the above statements is correct?
(A) I and II only
(B) I and III only
(C) II and III only

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ANSWERS

1. (B) Soviet Union
Following independence, India adopted a centralized framework for economic development heavily influenced by the Soviet Union's Five-Year Plan framework. Indian leaders, particularly Prime Minister Jawaharlal Nehru, viewed state-directed economic planning as essential for industrializing the nation rapidly, mobilizing domestic resources efficiently, and reducing social inequality after centuries of colonial economic exploitation.

2. (A) Harrod-Domar model
The First Five-Year Plan, covering the period from 1951 to 1956, was formulated based on the Harrod-Domar growth model. This economic theory emphasizes the key role of high capital accumulation, domestic savings, and investment rates in driving overall national output growth, which was critical for revitalizing India's underdeveloped post-independence economic landscape.

3. (C) Agriculture and irrigation
Launched in the backdrop of severe post-partition food shortages and agricultural stagnation, the First Five-Year Plan prioritized agriculture, irrigation, and power projects. By investing significantly in large-scale multipurpose dams like Bhakra Nangal and Hirakud, the planning leadership aimed to stabilize food production, achieve national self-sufficiency, and control inflation effectively across the country.

4. (D) From agriculture to public sector-led heavy industry
While the First Five-Year Plan concentrated on establishing agricultural stability and irrigation capacity, the Second Five-Year Plan executed a radical strategic pivot toward rapid industrialization. Guided by the Mahalanobis strategy, this transition prioritized public sector investments in capital goods, heavy machinery, and steel plants to build a self-reliant industrial foundation for long-term growth.

5. (C) P-2, Q-4, R-1, S-3
India's economic plans evolved across distinct development paradigms. The First Plan targeted agriculture and irrigation to solve food deficits. The Second Plan shifted emphasis to heavy industry expansion. The Sixth through Eighth Plans focused heavily on direct poverty alleviation programs. Finally, the Twelfth Plan established an overarching strategic framework for faster, sustainable, and inclusive growth.

6. (B) Public sector capital goods and heavy industries
Formulated by statistician Prasanta Chandra Mahalanobis, the two-sector model provided the theoretical foundation for the Second Five-Year Plan. It posited that building a strong domestic industrial base required expanding public sector production in capital goods, such as steel, power, and heavy engineering, thereby reducing reliance on imported capital equipment for future growth.

(D) External military conflicts and consecutive severe droughts
During the Third to Fifth Plan eras, India faced severe geopolitical shocks, including military conflicts with China in 1962 and Pakistan in 1965 and 1971. Coupled with severe consecutive droughts in the mid-1960s, these disruptions triggered food insecurity and foreign exchange crises, pushing policymakers to prioritize self-reliance in food production and defense capabilities.

8. (C) Sixth to Eighth Plans
Targeted anti-poverty interventions gained prominent national planning focus during the era spanning the Sixth to Eighth Five-Year Plans. Following political commitments to poverty eradication, planning strategies integrated specific employment generation and minimum needs programs, shifting national policy from relying purely on general macroeconomic trickle-down growth to implementing direct poverty reduction mechanisms.

9. (C) It retained a purely directive planning approach without private sector involvement.
Launched in 1992 following major economic structural adjustment policies, the Eighth Five-Year Plan fundamentally departed from rigid directive planning. Instead, it embraced

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indicative planning, encouraging private sector participation and market mechanisms while maintaining state management in key infrastructure and social sectors. Asserting that it retained purely centralized directive command without private involvement is historically inaccurate.

10. (A) I and II only
The Second Five-Year Plan was framed using the Mahalanobis heavy growth model and prioritized public sector expansion in capital goods and core industrial production. It did not shift focus entirely away from agriculture to industry; rather, industrialization was treated as the principal engine of growth without abolishing ongoing agricultural support projects.

11. (D) Growth with social justice and inclusive growth
Planning strategies from the Ninth through Eleventh Five-Year Plans shifted focus toward combining economic expansion with social equity. Recognizing that GDP growth alone did not eliminate disparities, these plans incorporated human development, rural empowerment, employment guarantees, and targeted welfare initiatives to ensure economic benefits were shared equitably across all population segments.

12. (B) Faster, sustainable, and more inclusive growth
The Twelfth Five-Year Plan, covering 2012 to 2017, adopted the official title and core theme of "Faster, Sustainable and More Inclusive Growth." It emphasized raising economic output while addressing ecological sustainability, reducing regional imbalances, improving social infrastructure, and enhancing human capital, marking the final Five-Year Plan in India's official national planning history.

13. (C) The Planning Commission was replaced by NITI Aayog.
On January 1, 2015, the Union Government formally dissolved the 65-year-old Planning Commission and replaced it with NITI Aayog (National Institution for Transforming India). This structural reform aimed to shift national policy design from top-down directive resource allocation toward collaborative policy formulation, innovation, strategic visioning, and enhanced cooperative federalism among state governments.

14. (D) NITI Aayog
NITI Aayog functions as the premier policy think tank of the Indian Government, delivering strategic and technical advice across key economic sectors. Designed to foster cooperative federalism, it provides a national platform that enables central and state governments to jointly formulate development priorities, replacing centralized planning structures with structured, continuous intergovernmental consultation.

15. (B) II only
NITI Aayog was established as an advisory think tank and intentionally lacks financial allocation powers. Unlike the former Planning Commission, which controlled central plan fund disbursements to states, financial transfers, tax devotions, and developmental grants are managed directly by the Union Ministry of Finance and guided by Finance Commission constitutional recommendations.

16. (B) The Prime Minister of India
The Governing Council of NITI Aayog serves as its decision-making body and is chaired by the Prime Minister of India. Its membership includes Chief Ministers of all Indian States, Chief Ministers of Union Territories with legislative assemblies, and Lieutenant Governors of other Union Territories, promoting structured federal dialogue on key policy agenda items.

17. (B) The economic liberalization reforms of 1991
Following the balance of payments crisis in 1991, India initiated comprehensive economic liberalization, deregulation, and market-oriented reforms. This transformation marked the structural transition from command-based, centralized directive planning to indicative planning, wherein the state established broad development goals, reduced industrial licensing, and relied on market forces and private enterprise to drive growth.

18. (A) Market signals and active private sector participation
Indicative planning operates by utilizing policy incentives, infrastructure support, and clear economic signals to guide private sector investments toward national strategic priorities. Rather than enforcing mandatory production quotas or relying solely on state monopolies, the government acts as a facilitator, shaping market conditions to encourage private enterprise and investment aligned with growth targets.

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19. (C) District Planning Committee (DPC)
Article 243ZD, introduced by the 74th Constitutional Amendment Act, mandates the creation of a District Planning Committee in every district. The committee is responsible for consolidating development plans prepared by local Panchayats and Municipalities, producing a cohesive draft development plan for the entire district that addresses shared spatial, infrastructure, and environmental priorities.

20. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Union Government replaced the Planning Commission with NITI Aayog in 2015 because the former was criticized for imposing top-down, standardized planning frameworks on states. Establishing NITI Aayog sought to institutionalize cooperative federalism, encouraging continuous bottom-up input and collaborative policy formulation between the Centre and Indian States tailored to local needs.

21. (C) Sustainable Development Goals (SDGs)
The Voluntary National Review process is an international reporting mechanism coordinated by NITI Aayog to report India's progress on the United Nations 2030 Agenda for Sustainable Development. Through this process, NITI Aayog presents periodic evaluations of baseline targets, national policy achievements, and subnational implementation regarding the seventeen global Sustainable Development Goals.

22. (B) Harrod-Domar model plan, Garibi Hatao era plan, Shift to inclusive growth plan, Final Five-Year Plan
India's economic history followed a clear chronological progression. The First Plan (1951-56) adopted the Harrod-Domar growth model. The Fifth and Sixth Plans introduced targeted "Garibi Hatao" poverty reduction initiatives. The Ninth to Eleventh Plans shifted towards inclusive growth, culminating in the Twelfth Plan (2012-17), which served as India's final Five-Year Plan.

23. (D) The Green Revolution
During the mid-1960s annual plans and Third Plan era, public investments in agricultural research, high-yielding variety seeds, subsidized chemical fertilizers, and expanded canal irrigation laid the institutional foundation for the Green Revolution. This state-directed modernization strategy exponentially boosted domestic foodgrain production, transformed rural agricultural productivity, and eliminated chronic national dependence on foreign food assistance.

24. (A) Bureaucratic delays and inefficient public sector investments
Centralized economic planning prior to 1991 faced significant criticism due to pervasive red tape, rigid industrial licensing regimes, and inefficient capital allocation within state monopolies. Mismanaged public sector undertakings often experienced high cost overruns, low capacity utilization, and limited commercial accountability, creating economic stagnation and microeconomic inefficiencies across key manufacturing industries.

25. (C) P-3, Q-4, R-2, S-1
Different planning bodies and concepts embody distinct structural functions. The Planning Commission historically held power over central plan fund allocation. NITI Aayog functions explicitly as a policy think tank. Indicative planning relies on market-guided resource allocation. Meanwhile, District Planning Committees facilitate bottom-up development planning at the local municipal and rural level.

26. (A) To oversee day-to-day formulation and execution of Five-Year Plans
Under the Planning Commission structure, while the Prime Minister held the ex-officio position of Chairman, the Deputy Chairman functioned as the full-time executive head. The Deputy Chairman was responsible for managing day-to-day operations, coordinating with central ministries and state governments, and overseeing the formulation, implementation, and review of Five-Year Plans across the country.

27. (D) NITI Aayog has no mandate to allocate funds, acting purely as an advisory body.
A fundamental organizational divergence between NITI Aayog and the former Planning Commission lies in financial authority. The Planning Commission made executive decisions regarding financial grant allocations to states for plan schemes. In contrast, NITI Aayog possesses no authority to allocate public funds, functioning strictly as a non-disbursing advisory economic think tank.

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government guidance to align private enterprise investments with broad national growth targets. Mandatory targets backed by administrative penalties characterize command directive planning, making the first statement completely incorrect overall.

48. (B) Deregulation and expanding the role of private capital
During the Eighth Plan (1992-97), India adapted its economic strategy to address severe fiscal and external vulnerabilities exposed during the 1991 balance of payments crisis. The planning paradigm shifted toward market deregulation, opening reserved sectors to domestic and foreign private capital, reducing industrial licensing, and positioning the state primarily as a facilitator.

49. (B) The Centre and States collaborate as equal partners in national development.
Cooperative federalism, emphasized by NITI Aayog, conceptualizes the central and state governments as equal partners working collaboratively to promote national development. This principles-based approach moves away from one-way central directives, enabling states to actively contribute to policy design, tailor national programs to local socio-economic conditions, and address regional development challenges jointly.

50. (C) I and III only
The Finance Commission is a constitutional body established under Article 280, whereas the former Planning Commission was an extra-constitutional, non-statutory body created via a Cabinet resolution rather than an Act of Parliament. The Planning Commission historically determined plan grants to states, making the second statement incorrect and confirming the first and third.

51. (C) The Planning Commission had fund allocation powers, whereas NITI Aayog operates as an advisory think tank.
The primary distinction between the Planning Commission and NITI Aayog lies in resource allocation authority. The Planning Commission possessed executive power to allocate financial grants for central and state plan schemes. Conversely, NITI Aayog functions strictly as an advisory think tank with no mandate to allocate public funds, leaving financial distributions to the Finance Ministry.

52. (D) Faster
The official title of the Twelfth Five-Year Plan was "Faster, Sustainable and More Inclusive Growth." This strategic title reflected the dual challenge of accelerating overall macroeconomic expansion while ensuring that economic development remained ecologically sustainable and broadly distributed across all social groups and subnational regions to eliminate persistent regional economic disparities.

53. (B) 1966-1969
The three-year period from 1966 to 1969 is designated as the "Plan Holiday" in India's planning history. Following the severe economic stress of wars in 1962 and 1965, consecutive severe droughts, devaluation of the rupee, and high inflation, the government temporarily suspended five-year plans, replacing them with three sequential Annual Plans.

54. (B) Heavy Industrial Output
The Aspirational Districts Programme evaluates district progress across five core socio-economic themes: Health and Nutrition, Education, Agriculture and Water Resources, Financial Inclusion and Skill Development, and Basic Infrastructure. Heavy industrial output is excluded from these primary parameters, as the program focuses specifically on human development indicators and basic civic infrastructure needs.

55. (B) I, III, and IV only
Public-Private Partnerships (PPPs) became vital from the Tenth Plan onward to attract private capital and technical expertise, supplementing public investments in infrastructure development. Statement II is incorrect because PPP models actively encouraged and expanded private sector participation in infrastructure and public service delivery rather than restricting it in any manner.

56. (A) UN High-Level Political Forum on Sustainable Development
NITI Aayog presents India's Voluntary National Review at the United Nations High-Level Political Forum on Sustainable Development. This global report outlines national policies, institutional mechanisms, progress tracking, and subnational implementation strategies aimed at fulfilling the seventeen UN Sustainable Development Goals outlined in the 2030 Agenda framework.

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development plan for the entire district that resolves spatial planning, infrastructure, and resource sharing needs across the district.

38. (B) Chief Executive Officer (CEO)
Within NITI Aayog's organizational hierarchy, the administrative head is the Chief Executive Officer. Appointed directly by the Prime Minister for a fixed tenure in the rank of Secretary to the Government of India, the CEO manages daily administration, coordinates research verticals, and oversees implementation of key national policy programs.

39. (D) Allocating central plan funds to state governments
Fostering cooperative federalism, designing strategic policy frameworks, and resolving inter-sectoral issues are primary statutory functions of NITI Aayog. Allocating plan expenditures to state governments was a function reserved for the Planning Commission; NITI Aayog has no budgetary power to allocate financial funds directly to state governments across the country.

40. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Third Five-Year Plan (1961-66) targeted an annual growth rate of 5.6 percent but achieved only around 2.4 percent. This failure resulted from severe external shocks, including the 1962 Sino-Indian War, the 1965 Indo-Pakistani War, and severe back-to-back national droughts that diverted resources to defense and emergency food import expenditures.

41. (C) Gadgil-Mukherjee Formula
Under the Planning Commission framework, central financial assistance for state development plans was allocated using the Gadgil-Mukherjee Formula. Adopted during the Fourth Plan and later revised, this formula determined resource distribution based on objective criteria, including state population, per capita income, fiscal performance, and special regional socio-economic problems.

42. (A) II, I, IV, III
Economic planning milestones followed a distinct chronological progression in India. The Harrod-Domar model governed the First Plan (1951-56), followed by the Mahalanobis model in the Second Plan (1956-61). Direct poverty alleviation ("Garibi Hatao") became central during the Fifth and Sixth Plans, while NITI Aayog introduced its 15-Year Vision Document in 2017.

43. (D) Gram Panchayat
Under the decentralized planning framework enshrined in the 73rd Constitutional Amendment, the Gram Panchayat constitutes the foundational tier at the village level. It initiates local planning by assessing grassroot needs, identifying beneficiary eligibility, and proposing village development projects before submitting these plans upward through intermediate tiers to the District Planning Committee.

44. (B) Third Plan and subsequent Annual Plans
Strategic institutional support for the Green Revolution was consolidated during the Third Five-Year Plan and the three subsequent Annual Plans (1966-69). Facing acute food vulnerability, the government introduced high-yielding seed varieties, modern machinery, expansion of agricultural credit, and price support mechanisms, achieving national self-sufficiency in wheat and rice production nationwide.

45. (C) P-2, Q-4, R-3, S-1
Each plan period addressed specific economic challenges. The First Plan focused on agriculture and irrigation to ensure food security. The Second Plan constructed the national industrial base through capital-goods expansion. The Eighth Plan marked the transition to market-guided indicative planning, while the Eleventh Plan prioritized inclusive growth and equitable human development.

46. (D) NITI Aayog
NITI Aayog conceptualized and publishes the SDG India Index in partnership with the United Nations. The index measures subnational performance across seventeen global goals using comprehensive socio-economic indicators. It drives competitive federalism by ranking States and Union Territories, enabling them to evaluate strengths, address policy deficiencies, and accelerate development achievements overall.

47. (D) Statement I is incorrect but Statement II is correct
Indicative planning avoids legal compulsion or state-enforced output mandates. Instead, it relies on market incentives, macroeconomic stability, supportive infrastructure, and strategic

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66. (A) The Prime Minister of India
Under the organizational guidelines of NITI Aayog, the Prime Minister of India serves as the ex-officio Chairperson and holds sole authority to nominate special invitees to the Governing Council. These special invitees are typically Union Cabinet Ministers, domain experts, or specialists representing critical economic, administrative, and developmental sectors nationwide.

67. (C) Red tapism and bureaucratic delays
A widely recognized structural inefficiency of the pre-1991 centralized planning model was extensive red tape and bureaucratic delays. Cumbersome administrative procedures under the License Raj created operational bottlenecks, stifled private entrepreneurship, delayed project execution, and reduced capital productivity across public and private industrial investments prior to 1991 market reforms.

68. (C) Fifth and Sixth Plans
The concept of a "Rolling Plan" was introduced in 1978 by the Janata Party government after terminating the Fifth Five-Year Plan one year early. Designed to adjust economic targets annually based on performance, the Rolling Plan operated briefly from 1978 to 1980 before being replaced by the formal Sixth Five-Year Plan upon the return of Congress leadership.

69. (C) Four-fifths of members are elected by and from district Panchayats and Municipalities.
Article 243ZD of the Constitution dictates that at least four-fifths of the total members of a District Planning Committee must be elected by and from the elected members of the district's rural Panchayats and urban Municipalities. This structural rule ensures democratic local representation in consolidating subnational rural and urban development plans.

70. (B) I and III only
Adopted after independence, the Soviet-inspired planning model centered on centralized state target formulation and public sector control over the "commanding heights" of the economy. It explicitly rejected total reliance on market forces, utilizing central administrative controls and state investment instead of free market price signals, confirming statements I and III as correct.

71. (B) 1992
The Eighth Five-Year Plan was originally scheduled to commence in 1990 but was delayed by severe balance of payments distress, high inflation, foreign exchange depletion, and central political instability. Consequently, two Annual Plans were implemented for 1990-91 and 1991-92, allowing the formal Eighth Five-Year Plan to launch in 1992 under new economic policies.

72. (A) III, I, II, IV
Planning focus evolved sequentially: the First Plan prioritized agriculture to resolve post-partition food deficits. Next, the Second Plan focused on heavy industrialization. The 1991 economic crisis prompted structural reforms and indicative planning, and in 2015 NITI Aayog replaced five-year plans with long-term Vision and Action frameworks across the country.

73. (C) Composite Water Management Index
The Composite Water Management Index was launched by NITI Aayog to assess and improve water resource management across Indian states. By evaluating performance indicators across groundwater restoration, irrigation management, watershed development, and urban water supply, the index fosters competitive federalism and encourages evidence-based policy intervention in national water security efforts.

74. (A) Eradication of the private sector
The core objective of the Twelfth Five-Year Plan was "Faster, Sustainable and More Inclusive Growth," which sought to accelerate overall macroeconomic growth, promote ecological balance, and expand socio-economic access. Eradicating the private sector was never an objective; rather, the plan relied heavily on private enterprise and public-private partnerships to build infrastructure.

75. (A) I, II, and III only
Historically, Central plan assistance required Planning Commission approval. Following the Planning Commission's abolition, the Union Budget merged plan and non-plan expenditures, while the Finance Commission remained the statutory mechanism for central tax devolution. Statement IV is incorrect because NITI Aayog has no constitutional or executive authority over state financial allocations at all.

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57. (C) District Planning Committees draft development plans exclusively for urban municipal areas.
Article 243ZD specifies that District Planning Committees are mandated to consolidate spatial, economic, and infrastructure plans drafted by both rural Panchayats and urban Municipalities. Claiming that District Planning Committees prepare plans exclusively for urban municipal areas is incorrect, as their constitutional purpose is integrating rural and urban development across the district.

58. (A) Competitive and cooperative federalism
Replacing the Planning Commission with NITI Aayog transformed subnational planning by prioritizing competitive and cooperative federalism. By involving state Chief Ministers directly in the Governing Council and using national performance indices to encourage healthy benchmarking, NITI Aayog fosters active state collaboration while incentivizing performance through transparent performance ranking frameworks.

59. (D) Competitive federalism driven by ranking visibility
The SDG India Index fosters competitive federalism by making state performance rankings highly visible to the public, peer states, and policymakers. This transparent ranking system motivates state governments to improve policy execution, adopt best practices from higher-ranked peers, and allocate resources efficiently toward underperforming Sustainable Development Goals without requiring coercive central penalties.

60. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Following economic liberalization in 1991, India experienced rapid adoption of the Public-Private Partnership model across infrastructure sectors. This shift occurred because the government faced significant budgetary constraints and could not independently fund the massive investments needed for roads, ports, and power to sustain high national economic growth rates.

61. (C) 3-Year Action Agenda
Under the policy architecture developed by NITI Aayog to replace traditional Five-Year Plans, the 3-Year Action Agenda provides actionable operational targets. Designed for short-term policy implementation from 2017 to 2020, it translated the broader long-term objectives of the 15-Year Vision Document and 7-Year Strategy Paper into immediate legislative, fiscal, and administrative steps.

62. (A) Centralized Directive Planning → Indicative Planning → Cooperative Federalism-based Think Tank Planning
India's economic planning philosophy evolved through three major historical phases. From 1951 to 1991, the country followed Soviet-inspired centralized directive planning. Post-1991 reforms introduced market-guided indicative planning. Finally, in 2015, the establishment of NITI Aayog shifted the mechanism toward cooperative federalism and think-tank-based policy advisory planning across the nation.

63. (A) Mahalanobis model
During the Second Five-Year Plan, the Mahalanobis model prioritized capital goods creation and heavy industry development. This theoretical approach directly guided state capital investment into establishing core industrial assets, including major public sector steel plants at Bhilai, Rourkela, and Durgapur, laying the infrastructure base for national domestic manufacturing capabilities nationwide.

64. (B) Inclusive growth and social justice
The Ninth through Eleventh Five-Year Plans recognized that achieving high GDP growth was insufficient if disparities deepened. Consequently, planning strategy explicitly adopted inclusive growth and social justice as core policy objectives, focusing on broad-based access to education, healthcare, employment guarantees, and social welfare programs to distribute economic gains across all socio-economic strata.

65. (B) P-3, Q-2, R-1, S-4
The post-2015 national planning architecture structured development priorities across distinct time horizons. NITI Aayog formulated a long-term 15-Year Vision Document, a medium-term 7-Year Strategy Paper, and a short-term 3-Year Action Agenda. Additionally, national development targets align with the global Sustainable Development Goals targeted for global completion by 2030.

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CHAPTER 11

Economic Problems, Economic Reforms and Liberalization

1. Which of the following best describes the economic concept of structural unemployment in the context of the Indian economy?
(A) Unemployment occurring temporarily as workers transition between different jobs
(B) Unemployment caused by a fundamental mismatch between the skills workers possess and the skills demanded by modern industries
(C) Unemployment resulting from a temporary deficiency in aggregate demand during a cyclical economic recession
(D) Unemployment that occurs predictably during specific non-harvest months in the agricultural sector

2. The 'Headcount Ratio' is a statistical indicator most commonly utilized by economists and policymakers to measure which of the following?
(A) The proportion of the working-age population currently unemployed
(B) The ratio of dependent individuals to the total working-age population
(C) The percentage of the rural population migrating to urban centres annually
(D) The percentage of the population living below the officially defined poverty line

3. In the analysis of India's post-1991 economic trajectory, the term 'jobless growth' is frequently used. What does this phenomenon specifically denote?
(A) A situation where the Gross Domestic Product expands rapidly, but the corresponding rate of employment generation remains stagnant or disproportionately low
(B) An economic phase where employment increases rapidly in the informal sector while formal sector jobs contract
(C) A period where overall economic output declines, leading to massive layoffs across both manufacturing and service sectors
(D) A demographic shift where the working-age population grows faster than the rate of economic expansion

4. In the context of poverty estimation methodologies in India, the Tendulkar Committee (2009) marked a significant departure from earlier estimations primarily by doing which of the following?
(A) Recommending a uniform poverty line for both rural and urban areas based exclusively on housing costs
(B) Introducing the concept of relative poverty in place of the traditional absolute poverty metric
(C) Shifting the poverty line basis from calorie intake alone to a broader basket including health and education expenditure
(D) Relying entirely on the Socio-Economic Caste Census data rather than National Sample Survey consumption data

5. Identify the correct chronological sequence of the following expert committees constituted by the Government of India for poverty estimation, from the earliest to the most recent:
(A) Alagh Committee, Lakdawala Committee, Tendulkar Committee, Rangarajan Committee
(B) Lakdawala Committee, Alagh Committee, Rangarajan Committee, Tendulkar Committee
(C) Alagh Committee, Tendulkar Committee, Lakdawala Committee, Rangarajan Committee
(D) Lakdawala Committee, Tendulkar Committee, Alagh Committee, Rangarajan Committee

6. Which of the following scenarios is the most accurate example of 'supply-shock' inflation?
(A) A general rise in prices resulting from the federal government drastically increasing public infrastructure spending across key sectors
(B) An increase in consumer durable prices

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76. (B) Indira Gandhi
Prime Minister Indira Gandhi famously launched the political and economic slogan "Garibi Hatao" (Eradicate Poverty) during the 1971 election campaign. This strategic mandate was integrated into national planning during the Fifth and Sixth Five-Year Plans, shifting focus toward direct poverty alleviation, basic needs programs, and targeted rural employment generation initiatives nationwide.

77. (C) The 1991 balance of payments crisis mandated liberalization and reliance on private investment.
The severe 1991 balance of payments crisis forced India to adopt major structural adjustment reforms, deregulation, and trade liberalization. As public capital resources proved inadequate to sustain high industrial growth, the planning process shifted from directive state controls to indicative planning, leveraging private investment and market incentives to drive economic development.

78. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Planning Commission was often criticized for enforcing standardized "one-size-fits-all" centralized schemes across diverse states without accounting for local socio-economic realities. To resolve this structural issue, NITI Aayog was established in 2015 to foster cooperative federalism, empowering states to design tailored policy interventions aligned with specific regional needs and priorities.

79. (A) Regional Councils convened to address specific issues affecting multiple states
NITI Aayog features Regional Councils created to address specific regional issues, developmental bottlenecks, and inter-state coordination challenges, including those in border, hill, or desert areas. Chaired by NITI Aayog's Chairperson or Vice-Chairperson, these councils convene Chief Ministers and Lieutenant Governors from contiguous states to formulate shared, region-specific economic solutions effectively.

80. (B) Grassroots and local self-government level
Decentralized planning is based on the principle that sustainable development planning must originate at the grassroots and local self-government level. Initiating plans at the village Gram Panchayat and urban municipality level ensures that local community priorities, spatial challenges, resource constraints, and socio-economic needs directly inform higher-level district and national development strategies.

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(A) I, II, III, IV
(B) II, I, IV, III
(C) I, III, II, IV
(D) III, I, IV, II

13. The drastic step of pledging national gold reserves in 1991 was necessitated primarily to avoid which immediate catastrophic outcome?
(A) A sovereign default on India's short-term external debt obligations
(B) A complete collapse of the domestic stock market due to foreign capital flight
(C) A hostile takeover of major public sector banks by foreign financial entities
(D) A hyperinflationary cycle exceeding 50 percent per annum in the domestic economy

14. In macroeconomic accounting, a persistent Current Account Deficit (CAD) indicates that a country is fundamentally:
(A) Exporting a significantly higher volume of goods and services than it is importing from trading partners in the rest of the world
(B) Generating far more government tax revenue than it is spending on national public welfare and development programs
(C) Importing more goods and services than it exports, utilizing foreign savings to finance domestic expenditure
(D) Experiencing continuous macroeconomic deflation due to a persistent lack of aggregate domestic consumer demand

15. Consider the following statements regarding the structural adjustment conditionalities imposed by the IMF and World Bank on India in 1991:
I. They mandated a significant reduction in average import tariffs to open the economy to global trade.
II. They required the Indian government to increase fiscal deficit targets to stimulate government spending.
III. They necessitated a sharp devaluation of the Indian Rupee to make exports competitive.
IV. They pushed for the abolition of the industrial licensing regime for most manufacturing sectors.
Which of the above statements are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

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16. A cornerstone of the 1991 Liberalization agenda was industrial delicensing. However, licensing was deliberately retained for a small negative list of industries primarily because:
(A) Those industries were exceptionally profitable and state ownership ensured continuous high dividend income for fiscal spending
(B) Those strategic industries were exclusively reserved for joint ventures with foreign multinational corporations
(C) Those industries pertained to security, strategic concerns, hazardous chemicals, and environmental protection
(D) Those state-owned industries were technologically obsolete and required continuous state protection to stay viable

17. As part of the post-1991 regulatory reforms to promote free market competition, the Monopolies and Restrictive Trade Practices (MRTP) Act of 1969 was significantly diluted and eventually replaced by which of the following legislations?
(A) The Foreign Exchange Management Act, 1999
(B) The Competition Act, 2002
(C) The Companies Act, 2013
(D) The Essential Commodities (Amendment) Act, 2006

18. The systemic deregulation of interest rates in India's banking sector following the 1991 reforms was carried out primarily on the comprehensive recommendations of which landmark committee?
(A) The Kelkar Advisory Committee
(B) The Chelliah Committee
(C) The Tendulkar Committee
(D) The Narasimham Committee

19. When evaluating the 1991 economic reform package, how do 'macroeconomic stabilization' measures fundamentally differ from 'structural adjustment' measures?
(A) Stabilization addresses short-term balance of payments and inflation, while structural adjustment improves long-term economic efficiency
(B) Stabilization focuses primarily on long-term institutional regulatory reforms, whereas structural adjustment deals exclusively with immediate currency printing
(C) Stabilization policy frameworks are managed exclusively by the World Bank, whereas structural adjustment packages are managed

resulting from a significant reduction in personal income tax rates boosting spending
(C) A rise in overall price levels caused by the central bank rapidly expanding the money supply through sustained rate cuts
(D) A sudden spike in domestic inflation triggered by a massive disruption in global crude oil supply due to geopolitical conflict

7. 'Demand-pull inflation' typically materializes in an economy under which of the following conditions?
(A) When the cost of vital industrial raw materials increases steeply, forcing producers to raise final market prices
(B) When aggregate demand for goods and services outstrips the economy's aggregate production capacity
(C) When a country's currency appreciates significantly in exchange markets, making its exports more expensive
(D) When persistent supply chain bottlenecks prevent manufactured goods from effectively reaching consumer markets

8. In the macroeconomic framework of India, which of the following best defines the concept of 'imported inflation'?
(A) Inflation driven by a sharp surge in domestic consumer demand for luxury imported automobiles and foreign electronics
(B) Inflation caused by foreign institutional investors heavily buying domestic equity shares and injecting excess monetary liquidity
(C) Inflation resulting from an increase in prices of essential imported commodities, often exacerbated by currency depreciation
(D) Inflation resulting from the government raising import tariffs on non-essential electronic goods and industrial components

9. Economists argue that persistent high inflation functions as a highly regressive tax. Why does inflation disproportionately hurt the poorer sections of society compared to wealthier segments?
(A) Because the poor tend to invest a major share of their personal savings in equity markets, which suffer heavy losses during periods of inflation
(B) Because the poor hold a larger proportion of their total wealth in physical assets like real estate, which lose real value during inflation
(C) Because inflation forces the government to immediately reduce fiscal spending and cut welfare direct cash transfer benefits to the poor
(D) Because a large share of poor households' income goes to essential consumer goods, and their nominal incomes do not index fully to inflation

10. Consider the following statements regarding structural poverty in the Indian economy:
I. Structural poverty is primarily driven by long-term, systemic barriers such as unequal land distribution and lack of access to quality education.
II. Unlike transient poverty, structural poverty cannot be resolved merely through short-term fiscal stimulus or monetary easing.
III. Post-1991 liberalization policies completely eliminated structural poverty in India's rural hinterlands.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

11. During the peak of the 1991 Balance of Payments crisis, India's foreign exchange reserves had depleted to an extremely critical level. Approximately how many weeks of essential imports could the reserves finance at that juncture?
(A) Less than 3 weeks
(B) Approximately 8 weeks
(C) Roughly 12 weeks
(D) Almost 24 weeks

12. Arrange the following critical economic events surrounding the 1991 crisis in their correct chronological order:
I. The Gulf War causing a sudden, sharp spike in global crude oil prices
II. The physical airlifting and pledging of India's gold reserves to the Bank of England and Bank of Japan
III. The announcement of the New Industrial Policy completely dismantling the License Raj
IV. India securing an emergency structural adjustment loan from the International Monetary Fund
Which of the following represents the correct arrangement?

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28. (B) Finance Commission
Constituted every five years under Article 280 of the Indian Constitution, the Finance Commission is a statutory constitutional body tasked with recommending the fiscal distribution of net tax proceeds between the Centre and States. Historically, it determined central financial assistance for non-plan expenditures, operating independently of the Planning Commission's plan allocation framework.

29. (C) Convergence of central and state schemes
Launched by NITI Aayog in 2018, the Aspirational Districts Programme focuses on rapidly transforming underdeveloped districts across critical developmental metrics. It relies heavily on converging existing central and state government schemes, fostering active inter-departmental collaboration, and driving healthy competitive federalism among district administrations through transparent real-time performance tracking and data-driven monitoring.

30. (D) I, II, and III
The Aspirational Districts Programme is overseen directly by NITI Aayog to accelerate development in underdeveloped areas. Grounded in the core operational strategy of the 3Cs—Convergence of schemes, Collaboration among stakeholders, and Competition among districts—it monitors key progress indicators in health, education, agriculture, and infrastructure to rapidly uplift socio-economically backward district regions nationwide.

31. (A) SDG India Index
Published annually by NITI Aayog, the SDG India Index evaluates and tracks the performance of States and Union Territories across Sustainable Development Goal target indicators. By measuring subnational progress on social, economic, and environmental targets, the index promotes competitive federalism, highlights development gaps, and assists policy leaders in formulating targeted interventions.

32. (B) 73rd Amendment
Passed in 1992, the 73rd Constitutional Amendment Act accorded constitutional status to rural local self-governance through Panchayati Raj Institutions. By introducing Part IX and the Eleventh Schedule to the Constitution, it mandated regular elections, administrative decentralization, financial devolutions, and local-level economic planning across a three-tier local administrative framework operating nationwide.

33. (B) Private investment supplementing and substituting public planning outlays
Following market liberalization, the expansion of the Public-Private Partnership framework reflected a major evolution in policy planning. Facing government capital constraints for infrastructure expansion, economic plans actively mobilized private capital, managerial expertise, and technological efficiency to supplement state expenditures in constructing highways, ports, airports, and power infrastructure projects nationwide.

34. (D) 15 years
Following the retirement of the Five-Year Plan system, NITI Aayog adopted a modernized, multi-tiered national policy architecture. At its apex is a long-term 15-Year Vision Document setting national strategic goals, complemented by a 7-Year Strategy Paper outlining medium-term policies and a 3-Year Action Agenda for immediate operational policy implementation.

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35. (A) I, II, and III only
Post-2015 planning substituted five-year plans with a three-tiered structural framework: a 15-year Vision Document for overall goals, a 7-year Strategy Paper for policy direction, and a 3-year Action Agenda for practical execution. State planning boards were not universally abolished; many continue to function and assist subnational economic policy planning.

36. (D) Twelfth Plan
The Twelfth Five-Year Plan, spanning from 2012 to 2017, was the final Five-Year Plan drafted and executed in India's history. Following its conclusion, the government officially discontinued the traditional five-year macroeconomic planning model, transitioning permanently to long-term vision frameworks and flexible strategy papers formulated directly by NITI Aayog.

37. (C) District Planning Committee
Under Article 243ZD of the Constitution, the District Planning Committee is constitutionally mandated and tasked with harmonizing rural and urban planning. It consolidates independent development drafts produced by Panchayats and Municipalities, framing a comprehensive draft

exclusively by the central bank
(D) Stabilization focuses on systematically raising import tariffs, whereas structural adjustment focuses on drastically increasing direct government subsidies

20. Read the following Assertion (A) and Reason (R) carefully and choose the correct option:
Assertion (A): The structural adjustment loans provided to India by the World Bank and IMF in 1991 came with stringent macroeconomic policy conditionalities.
Reason (R): International financial institutions impose conditionalities to ensure the borrowing country implements reforms that restore economic stability and debt repayment capacity.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

21. Following the 1991 liberalization, there was a strategic shift in how India financed its Current Account Deficit (CAD). Which of the following became the preferred, non-debt creating mode of financing the CAD?
(A) Foreign Direct Investment (FDI) and portfolio equity inflows
(B) Short-term sovereign borrowing from foreign commercial banks
(C) Long-term bilateral aid from foreign governments
(D) Issuance of massive quantities of sovereign gold bonds globally

22. In contemporary Indian economic discourse, "second-generation reforms" primarily refer to structural changes needed in which of the following areas?
(A) Reintroducing industrial licensing for strategic sectors
(B) Complete nationalization of key emerging service sectors such as telecommunications, banking, and civil aviation
(C) Re-establishing strict fixed exchange rates for the Indian Rupee against the US Dollar and European currencies
(D) Factor markets, particularly land acquisition, labour laws, and capital markets

23. In the context of India's privatization policy, what specifically distinguishes 'strategic disinvestment' from regular minority stake sales in Central Public Sector Enterprises (CPSEs)?
(A) Strategic disinvestment is legally restricted to highly profitable state-owned public enterprises to maximize budget revenues
(B) Strategic disinvestment entails selling a substantial state shareholding along with management control transfer to a private entity
(C) Strategic disinvestment involves selling enterprise equity shares exclusively to domestic retail investors through initial public offerings
(D) Strategic disinvestment means transferring government shares directly to another public enterprise without any cash exchange taking place

24. Which of the following enterprises represents the first major instance of complete strategic privatization involving the transfer of management control by the Government of India in the post-liberalization era?
(A) Life Insurance Corporation of India
(B) Hindustan Aeronautics Limited
(C) Modern Food Industries Limited
(D) State Bank of India

25. Match the terms related to privatization in List I with their definitions in List II:
List I: (Privatization Term)
P. Token Disinvestment
Q. Strategic Disinvestment
R. Golden Share
S. Nationalization
List II: (Definition)
1. Transferring privately owned assets to public ownership
2. Sale of a minority stake primarily to raise fiscal revenue without giving up control
3. Retaining a nominal share giving the government veto power over crucial company decisions
4. Sale of equity accompanied by transfer of management control
Which of the following is the correct matching?
(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

26. The successful privatization of Air India in 2021 was viewed as a landmark economic event primarily because:

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80. Match the macroeconomic deficit concepts in List I with their descriptions in List II:

List I: (Deficit Concept)

P. Fiscal Deficit
Q. Revenue Deficit
R. Primary Deficit
S. Monetized Deficit

List II: (Description)

1. Total revenue expenditure minus total revenue receipts
2. Total expenditure minus total receipts excluding borrowings
3. Fiscal deficit minus interest payments on past debt
4. The portion of the fiscal deficit financed by the central bank printing new money

Which of the following is the correct matching?

(A) P-2, Q-1, R-3, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-2, Q-3, R-1, S-4
(D) P-3, Q-1, R-2, S-4

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model in India, often grouped under the challenge of 'non-inclusive growth'?
(A) A rapid and unprecedented increase in extreme absolute poverty rates across both rural and urban areas in all major states
(B) The persistence of a large informal sector employing over 80% of workers with minimal social security
(C) The total structural collapse of the domestic modern services sector, particularly high-growth information technology and telecom
(D) A severe and continuous reduction in national foreign exchange reserves below the critical crisis levels observed in 1990

34. Empirical studies on India's post-liberalization regional economy suggest that coastal and southern states have generally outpaced many northern and eastern states in terms of per capita income growth. What is the most widely accepted economic reason for this disparity?
(A) Southern states completely refused to implement federal industrial delicensing policies, thereby protecting state monopolies
(B) Landlocked northern states were legally barred by the federal government from receiving Foreign Direct Investment inflows until 2010
(C) Coastal states maintain structurally lower headline inflation rates because their local populations consume no agricultural commodities
(D) Coastal states had better ports and human capital, enabling them to leverage export growth and IT services

35. Consider the following statements regarding the challenges of achieving 'inclusive growth' in a post-liberalization economy:
I. Inclusive growth demands that the benefits of GDP expansion are equitably distributed across different socio-economic groups.
II. High rates of structural unemployment inherently undermine inclusive growth objectives.
III. Inclusive growth solely targets the expansion of heavy industries without regard for environmental sustainability.
IV. Expanding access to quality public health and education is considered a core pillar of inclusive growth.
Which of the above statements are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

36. In the macroeconomic framework, a 'Fiscal Deficit' occurs when:
(A) The country's total commercial imports of goods and services exceed its total exports in a given financial year
(B) The central bank issues vastly more paper currency notes than the total physical gold reserves held in its vaults
(C) The government's total expenditure exceeds its total revenue receipts and non-debt capital receipts
(D) The prevailing annual rate of inflation exceeds nominal interest rates offered on savings by commercial banks

37. Analyzing the structural transformation of the Indian economy post-1991, which sector leapfrogged the traditional manufacturing phase to become the dominant contributor to India's Gross Domestic Product?
(A) The tertiary services sector
(B) The primary agricultural sector
(C) The secondary heavy manufacturing sector
(D) The quaternary informal artisan sector

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38. A critical component of India's annual Union Budget is the 'Disinvestment Target'. Receipts generated from meeting this target are classified in government accounts as:
(A) Revenue Receipts
(B) Debt-creating long-term Capital Receipts
(C) Current Account Transfers
(D) Non-debt creating Capital Receipts

39. The Fiscal Responsibility and Budget Management (FRBM) Act was enacted by the Indian Parliament primarily to address which chronic macroeconomic challenge?
(A) Persistent and unmanageable volatility in the foreign exchange rate of the domestic currency
(B) High fiscal and revenue deficits threatening economic stability
(C) The systemic lack of formal institutional credit available to smallholder and marginal farmers
(D) Unprecedented rates of structural unemployment among educated urban youth and graduates

challenge of high fiscal deficits in the Indian economy?
(A) Persistent tax shortfalls combined with heavy spending on subsidies, interest, and salaries
(B) The extraordinarily high administrative costs of running public sector banks
(C) The continuous physical export of domestic gold reserves to foreign countries
(D) Structural over-reliance on direct personal income taxes compared to indirect consumption taxes in the federal tax model

54. Addressing land market challenges is a core component of second-generation economic reforms. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act) fundamentally shifted land acquisition processes by mandating:
(A) The absolute prohibition of acquiring multi-cropped agricultural land for any private industrial purpose
(B) The transfer of land acquisition powers entirely from state governments to local village panchayats
(C) The compulsory nationalization and reallocation of all unutilized private industrial land without providing monetary compensation
(D) Mandating prior consent of affected families and Social Impact Assessments for public-private projects

55. Consider the following statements regarding the underlying structural causes of the 1991 Balance of Payments crisis:
I. A persistently high fiscal deficit throughout the 1980s led to large-scale government borrowing and macroeconomic instability.
II. A heavily protected and uncompetitive domestic industrial sector resulted in dismal export performance.
III. The sudden collapse of the Soviet Union eliminated a major, stable market for Indian rupee-trade exports.
IV. The massive accumulation of foreign exchange reserves in the late 1980s led to an overvalued rupee, artificially suppressing exports.
Which of the above statements identify the underlying structural causes?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

56. To counter the severe Balance of Payments crisis in July 1991, the Reserve Bank of India carried out a two-step devaluation of the Indian Rupee. The primary economic rationale behind devaluing a national currency during a BoP crisis is to:
(A) Make domestic consumer imports cheaper and luxury foreign consumer items more accessible to high-income citizens
(B) Reduce domestic inflation rates by permanently increasing the purchasing power of the national currency locally
(C) Make exports cheaper and globally competitive while raising import costs to preserve foreign reserves
(D) Fulfill a mandatory constitutional requirement triggered whenever foreign reserves fall below $1 billion

57. While India transitioned to full convertibility of the Rupee on the Current Account in 1994, it has retained a managed approach to Capital Account convertibility. What does Capital Account convertibility primarily entail?
(A) The unrestricted statutory entitlement to import foreign consumer goods without paying any customs tariffs or duties
(B) The absolute right of foreign central banks and multilateral bodies to freely print local currency banknotes
(C) The total elimination of all quantitative limits on agricultural exports
(D) Unrestricted freedom to convert local financial assets into foreign financial assets at market rates

58. The process of globalization and abrupt tariff reductions post-1991 exposed domestic Micro, Small and Medium Enterprises (MSMEs) to significant challenges primarily because:
(A) MSMEs faced cheap import competition while struggling with infrastructure bottlenecks and high credit costs
(B) The central government legally prohibited all small and medium enterprises from exporting manufactured goods to foreign markets
(C) Foreign multinational corporations systematically acquired and liquidated all operating domestic micro and small enterprises

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over 300% to protect domestic industry
(B) The peak duty was replaced entirely by internal goods and services taxes, eliminating customs duties altogether
(C) The peak duty was reduced from over 150% in 1991 to roughly 10% by the late 2000s
(D) The peak duty remained completely unchanged for two decades to ensure revenue stability

47. Central banks often look at 'Core Inflation' when making monetary policy decisions. What distinguishes core inflation from headline inflation?
(A) Core inflation only measures the price rise of essential agricultural commodities
(B) Core inflation measures price changes purely at the wholesale level, ignoring retail margins
(C) Core inflation represents the specific inflation rate experienced exclusively by households in the lowest income decile
(D) Core inflation excludes volatile food and energy prices to capture underlying price trends

48. In 2014, the Reserve Bank of India officially shifted its primary inflation-targeting metric based on the Urjit Patel Committee recommendations. Which index is currently used as the primary anchor for India's monetary policy?
(A) Wholesale Price Index (WPI)
(B) Consumer Food Price Index (CFPI) - National
(C) Consumer Price Index (CPI) - Combined
(D) GDP Deflator

49. When the international price of crude oil surges unexpectedly, India typically experiences a wave of imported inflation. This is primarily because:
(A) India heavily exports crude oil and domestic shortages occur
(B) India imports 80-85% of its crude oil, so higher costs cascade across transport and manufacturing
(C) Foreign institutional investors immediately withdraw market equity capital, compelling fuel retailers to raise prices significantly
(D) The government drastically increases personal and corporate income taxes to offset rising global oil import expenses

50. Consider the following statements regarding the liberalization of Foreign Direct Investment (FDI) in India post-1991:
I. The automatic route for FDI was introduced, allowing foreign investors to invest in most sectors without prior government approval.
II. The Foreign Investment Promotion Board (FIPB) was established to process applications not covered by the automatic route.
III. FDI in multi-brand retail has been completely deregulated, allowing 100% automatic approval without any sourcing restrictions.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

51. In the context of globalization and capital flows, Foreign Institutional Investment (FII) is frequently described by emerging market policymakers as 'hot money'. This term denotes that FII is:
(A) Prone to rapid outflows due to global interest rate changes or market panic
(B) Used exclusively to fund high-technology startups
(C) Illicit funds laundered through foreign offshore tax havens to evade domestic corporate and capital taxes
(D) Bilateral government-to-government sovereign development loans extended at exceptionally high commercial interest rates

52. Arrange the launch of the following major government flagship schemes addressing poverty, employment, and rural infrastructure in correct chronological order:
I. Integrated Rural Development Programme (IRDP)
II. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
III. Pradhan Mantri Gram Sadak Yojana (PMGSY)
IV. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)
Which of the following represents the correct arrangement?
(A) I, III, II, IV
(B) I, II, III, IV
(C) III, I, II, IV
(D) I, III, IV, II

53. Which of the following is traditionally the most significant contributing factor to the chronic

40. Read the following Assertion (A) and Reason (R) carefully and choose the correct option:
Assertion (A): Inflation is often described by policymakers as the most regressive form of taxation.
Reason (R): High inflation rapidly erodes the purchasing power of money, which disproportionately impacts low-income groups whose wages do not rise concurrently with prices.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

41. To directly combat structural poverty and rural unemployment, the Government of India launched the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). This flagship scheme relies primarily on which economic mechanism?
(A) Providing highly subsidized formal credit to rural entrepreneurs
(B) Distributing free agricultural land to marginalized communities
(C) Offering universal basic income through direct cash transfers to all citizens regardless of employment status
(D) Legally guaranteeing 100 days of wage employment in unskilled manual work to rural households

42. In the context of public sector reforms, the fundamental difference between 'privatization' and 'minority disinvestment' is that:
(A) Privatization transfers management control to private hands, while minority disinvestment retains majority state ownership
(B) Privatization involves transferring full equity ownership to foreign corporate entities, while minority disinvestment is reserved for domestic buyers
(C) Privatization is executed under the jurisdiction of state governments, whereas minority disinvestment is administered by the central bank
(D) Privatization mandates formal parliamentary approval, whereas minority disinvestment is executed directly by the Reserve Bank of India

43. Which of the following was NOT a defining characteristic of the Indian economy during the pre-1991 regime?
(A) Extensive statutory use of quantitative restrictions and high tariffs on imported goods
(B) A regime of automatic approval for 100% Foreign Direct Investment in most sectors
(C) A highly regulated financial sector with administered interest rates
(D) Strict industrial licensing to regulate private sector capacity and production

44. Identify the INCORRECT pair among the following macroeconomic vulnerabilities and their primary defining indicators:
(A) Balance of Payments Crisis — Depletion of foreign exchange reserves
(B) Jobless Growth — High GDP growth coupled with high employment elasticity
(C) Fiscal Crisis — Escalating ratio of sovereign debt to GDP
(D) Runaway Inflation — Rapid, continuous and unmanageable erosion of purchasing power

45. Match the macroeconomic policies/institutions in List I with their corresponding status post-1991 in List II:
List I: (Pre-1991 Policy Area)
P. Import Quotas (Quantitative Restrictions)
Q. MRTP Act, 1969
R. Foreign Exchange Regulation Act (FERA)
S. Industrial Licensing
List II: (Post-1991 Status)
1. Abolished for almost all industries except a negative list
2. Systematically phased out to allow free trade in goods
3. Replaced by the Competition Act to promote market efficiency
4. Replaced by FEMA to facilitate external trade and payments
Which of the following is the correct matching?
(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-1, R-2, S-3
(D) P-2, Q-4, R-3, S-1

46. Under the trajectory of trade liberalization post-1991, India's peak customs duty on non-agricultural imports underwent a dramatic transformation. Which of the following best describes this trajectory?
(A) The peak duty was increased from 50% to

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(D) The World Bank explicitly mandated the immediate closure of all state-supported MSME clusters

59. Identify the 'odd one out' among the following factors. Three of these are recognized drivers of cost-push inflation, while one is a driver of demand-pull inflation:
(A) A sudden, nationwide hike in federal minimum support prices for key agricultural food commodities
(B) Tax cuts combined with a massive pre-election cash transfer scheme
(C) An unanticipated, steep spike in international ocean freight charges and global shipping container costs
(D) A severe drought that destroys a large portion of the domestic foodgrain harvest

60. Read the following Assertion (A) and Reason (R) carefully and choose the correct option:
Assertion (A): Second-generation reforms in India place a heavy emphasis on overhauling factor markets, specifically land and labour.
Reason (R): The 1991 reforms primarily liberalized product markets and trade, leaving the complex, heavily regulated land and labour frameworks largely untouched, which now constrain manufacturing growth.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

61. In the recent overhaul of labour regulations, the historic Trade Unions Act of 1926, the Industrial Employment (Standing Orders) Act of 1946, and the Industrial Disputes Act of 1947 have been subsumed under which new Labour Code?
(A) The Industrial Relations Code
(B) The Code on Social Security
(C) The Code on Wages
(D) The Occupational Safety, Health and Working Conditions Code

62. When analyzing the fiscal components of the Union Budget, disinvestment receipts generated through the strategic sale of public sector undertakings are categorized under:
(A) Tax Revenue Receipts
(B) Non-Tax Revenue Receipts
(C) Capital Receipts
(D) Revenue Expenditure

63. The challenge of moving from mere economic growth to 'Inclusive Growth' became a central, explicitly stated objective in the official macroeconomic policy document of which Five Year Plan?
(A) The Seventh Five Year Plan period (1985-1990)
(B) The Eighth Five Year Plan (1992-1997)
(C) The First Five Year Plan (1951-1956)
(D) The Eleventh Five Year Plan (2007-2012)

64. Post-reform regional economic disparity is a recognized structural issue. States like Maharashtra, Gujarat, and Tamil Nadu attracted the bulk of post-1991 private industrial investment. Which of the following is considered the least significant reason for this specific regional advantage?
(A) Superior physical infrastructure, including functional seaports and power supply
(B) A relatively better-skilled urban workforce and pre-existing industrial clusters
(C) Absolute parity in agricultural output compared to the Indo-Gangetic plain
(D) Proximity to global shipping routes facilitating integration with international supply chains

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65. Match the expert committees in List I with the specific area of economic reform they primarily addressed post-1991 in List II:
List I: (Expert Committee)
P. Raja Chelliah Committee
Q. M. Narasimham Committee
R. C. Rangarajan Committee
S. Omkar Goswami Committee
List II: (Area of Economic Reform)
1. Disinvestment of Public Sector Enterprises
2. Financial and Banking Sector Reforms
3. Comprehensive Tax Reforms
4. Industrial Sickness and Corporate Restructuring

Which of the following is the correct matching?
(A) P-3, Q-2, R-1, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-4, R-2, S-3

66. Following the sweeping industrial delicensing of 1991, only a handful of sectors were kept exclusively reserved for the public sector on strategic grounds. Which of the following

(A) It marked the government's complete exit from the loss-making aviation sector
(B) It was the first landmark instance where a major state PSU was sold to a fully foreign-owned global airline carrier
(C) It generated enough direct revenue to completely wipe out the national fiscal deficit for that specific financial year
(D) It resulted in the immediate dismantling of the Airports Authority of India

27. As part of globalization, India opened up to both Foreign Direct Investment (FDI) and Foreign Institutional Investment (FII). What is the fundamental difference between the two?
(A) FDI is routed exclusively through the Reserve Bank of India without government approval, whereas FII requires no financial regulatory oversight whatsoever
(B) FDI involves long-term physical asset creation and management control, while FII involves short-term market investments
(C) FDI is legally permitted only in heavy manufacturing sectors, whereas FII is permitted exclusively in primary agricultural commodity markets
(D) FDI capital flows represent sovereign external commercial borrowings, whereas FII flows represent non-repayable multilateral foreign grants

28. Identify the correct sequential order of the following landmark macroeconomic policy shifts in India, from earliest to latest:
(A) Nationalization of 14 Major Commercial Banks, Enactment of MRTP Act, Initiation of LPG Reforms, Enactment of FRBM Act
(B) Enactment of MRTP Act, Nationalization of 14 Major Commercial Banks, Initiation of LPG Reforms, Enactment of FRBM Act
(C) Nationalization of 14 Major Commercial Banks, Initiation of LPG Reforms, Enactment of MRTP Act, Enactment of FRBM Act
(D) Enactment of MRTP Act, Initiation of LPG Reforms, Nationalization of 14 Major Commercial Banks, Enactment of FRBM Act

29. As a core component of recent second-generation labour reforms, the Government of India consolidated 29 central labour laws into four distinct Labour Codes. Which of the following is NOT one of these four legally recognized Codes?
(A) The Code on Minimum Educational Qualifications for Workers
(B) The Code on Wages
(C) The Industrial Relations Code
(D) The Occupational Safety, Health and Working Conditions Code

30. Consider the following statements regarding the contemporary challenges of land reform and acquisition in India's industrializing economy:
I. The lack of a digitized and conclusive land titling system creates severe legal bottlenecks for industrial land acquisition.
II. The transition from presumptive land titling to conclusive land titling has been fully completed across all states in India.
III. Complex land acquisition processes frequently result in massive cost and time overruns for major infrastructure projects.
Which of the above statements is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

31. In the specific context of India's 1991 economic package, 'Globalization' was operationally defined primarily as:
(A) The process of completely eliminating domestic taxes on all agricultural produce
(B) The mandatory statutory requirement for all domestic manufacturing corporations to list their equity shares on the New York Stock Exchange
(C) The complete structural replacement of the national Indian Rupee currency with a universally accepted global monetary currency
(D) Integrating the domestic economy globally by removing trade barriers and liberalizing capital flows

32. Following the 1991 reforms, the Government of India adopted a trajectory of systematically reducing peak customs tariffs. This specific trade liberalization policy was heavily guided by the recommendations of the:
(A) Kelkar Task Force
(B) Rangarajan Commission
(C) Chelliah Committee
(D) Shanta Kumar Committee

33. Which of the following is considered a negative, unintended consequence of the post-1991 growth

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alignment of domestic foreign policy with the Western economic bloc
(C) The mandatory defunding and dismantling of state-sponsored domestic space exploration and nuclear research programs
(D) Sectoral policy reforms focusing on trade liberalization, privatization, and deregulation

74. Analyzing the impact of the 1991 reforms on poverty, statistical evidence indicates that:
(A) Poverty reduction accelerated post-2000 compared to pre-reform decades, driven by higher economic growth
(B) Poverty rates increased steadily and continuously across both rural and urban areas throughout the 1990s and 2000s
(C) Absolute poverty was entirely eradicated by the year 2005
(D) Post-1991 liberalization policies legally prohibited the federal government from funding any targeted poverty alleviation schemes

75. Consider the following statements outlining the rationale for the recent codification of India's labour laws:
I. The multiplicity of 29 overlapping central labour laws created massive compliance burdens for industries.
II. Archaic, rigid labour laws actively discouraged formal job creation and incentivized the casualization of the workforce.
III. The new codes aim to extend social security benefits to gig and platform workers in the informal economy.
IV. The codes completely strip all formal workers of their right to form trade unions or strike under any circumstances.
Which of the above statements correctly represent the rationale and features of the reform?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

76. In an inflationary macroeconomic environment, the phenomenon known as 'fiscal drag' refers to:
(A) The government deliberately halting public infrastructure investment projects to suppress aggregate demand and cool economic growth
(B) Taxpayers entering higher tax brackets from nominal wage increases matching inflation, raising real tax burden
(C) The central bank aggressively draining monetary liquidity from commercial banks by selling long-term government bonds in open markets
(D) A continuous decline in foreign direct investment due to high corporate tax rates

77. Which of the following scenarios best defines the complex economic condition known as 'stagflation'?
(A) A period of prolonged economic stagnation and high unemployment occurring simultaneously with high inflation
(B) A period characterized by high, rapid economic growth accompanied by hyperinflation
(C) An economic condition where prices are consistently falling while employment is rising
(D) A fiscal scenario where the government maintains a massive budget surplus while the private enterprise sector undergoes severe recession

78. Read the following Assertion (A) and Reason (R) carefully and choose the correct option:
Assertion (A): Achieving conclusive land titling is considered a vital prerequisite for revitalizing India's agricultural economy.
Reason (R): Clear, legally unassailable land titles allow farmers to easily use their land as collateral to access cheap formal institutional credit, thereby reducing reliance on informal moneylenders.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

79. When assessing a country's vulnerability to a Balance of Payments crisis, economists monitor its Foreign Exchange Reserves. In India, these reserves conventionally include which of the following components?
(A) Foreign Currency Assets only
(B) Foreign Currency Assets combined exclusively with domestic Rupee currency notes and commercial bank reserves
(C) Gold Reserves and domestic sovereign bonds only
(D) Foreign Currency Assets, Gold Reserves, SDRs, and IMF Reserve Tranche Position

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correctly identifies two sectors that remained strictly reserved for the State immediately following the 1991 policy?
(A) Civil Aviation and Telecommunications
(B) Commercial Banking and Heavy Machinery
(C) Coal Mining and Automobile Manufacturing
(D) Atomic Energy and Railway Transport

67. The physical limits on the amount of goods that can be imported, known as Quantitative Restrictions (QRs), were a staple of India's pre-liberalization economy. India formally completed the phasing out of QRs on all remaining items (primarily consumer goods and agricultural products) in which year, following a WTO ruling?
(A) 1991
(B) 1995
(C) 2001
(D) 2014

68. The distinction between 'absolute poverty' and 'relative poverty' is fundamental in economic planning. Absolute poverty is best defined as:
(A) A relative economic state where an individual's household income remains substantially lower than national average income levels
(B) The degree of structural inequality in wealth distribution measured between the wealthiest decile and the poorest decile of citizens
(C) Severe deprivation of basic human needs like food, water, and shelter relative to a fixed poverty line
(D) The temporary loss of income experienced by workers transitioning between seasonal jobs

69. A major roadblock to rural credit expansion and agricultural modernization in India is the persistence of 'presumptive' land titling. What is the fundamental goal of transitioning to 'conclusive' land titling?
(A) State-guaranteed land titles ensuring accuracy and reducing ownership litigation
(B) To abolish all private ownership of agricultural land
(C) To forcibly consolidate all fragmented smallholder agricultural land holdings into large-scale corporate commercial farms
(D) To transfer all administrative and regulatory authority over land titling registrations to the Reserve Bank of India

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70. Consider the following statements regarding the Fiscal Responsibility and Budget Management (FRBM) Act:
I. The FRBM Act mandates the central government to establish fixed targets for the reduction of the fiscal deficit.
II. The FRBM Act contains 'escape clauses' that allow the government to breach the fiscal deficit target under exceptional circumstances, such as a national security crisis or severe economic shock.
III. The FRBM Act completely prohibits the government from borrowing money from domestic commercial banks.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

71. The phrase "missing middle" is often used to describe a structural problem in India's industrial sector post-liberalization. What does this refer to?
(A) The complete absence of qualified middle-management administrative executives across state-owned public sector enterprises
(B) An industrial structure with many tiny informal units and a few mega-firms, but missing mid-sized formal plants
(C) Heavy geographical concentration of manufacturing industries along coastal corridors, leaving central landlocked regions devoid of plants
(D) The failure of the services sector to generate jobs for middle-school dropouts

72. During periods of unexpected and sustained inflation in an economy, which of the following groups typically experiences an economic benefit or wealth transfer in real terms?
(A) Fixed-income pensioners
(B) Creditors/Lenders who have issued long-term loans at fixed nominal interest rates
(C) Borrowers/Debtors who owe money at fixed nominal interest rates
(D) Daily wage laborers whose wages are adjusted annually

73. During the 1991 crisis, the structural adjustment lending provided to India by the World Bank primarily focused on conditionalities related to:
(A) Emergency currency printing mechanisms
(B) The immediate and formal geopolitical

ANSWERS

1. (B) Unemployment caused by a fundamental mismatch between the skills workers possess and the skills demanded by modern industries
Structural unemployment represents a persistent, long-term imbalance within the labor market caused by significant shifts in economic dynamics. It arises when existing workers lack the specific skills, qualifications, or geographic mobility required to fill newly created industrial roles. This structural mismatch between labor supply capabilities and modern industrial demand prevents unemployed individuals from securing sustainable employment opportunities.

2. (D) The percentage of the population living below the officially defined poverty line
The Headcount Ratio serves as a fundamental statistical metric in development economics to evaluate absolute poverty rates within a nation. It calculates the exact proportion of a population residing below an established official poverty threshold relative to the total population. By measuring poverty prevalence, policymakers evaluate social welfare progress, target economic resources effectively, and formulate targeted poverty alleviation strategies over time.

3. (A) A situation where the Gross Domestic Product expands rapidly, but the corresponding rate of employment generation remains stagnant or disproportionately low
Jobless growth describes an economic condition where Gross Domestic Product expands significantly without creating a proportional increase in formal employment opportunities. This phenomenon occurs when national economic expansion is primarily driven by capital-intensive industries, technological automation, and high productivity gains rather than labor-intensive sector development. Consequently, overall job creation remains severely sluggish despite robust aggregate economic growth figures.

4. (C) Shifting the poverty line basis from calorie intake alone to a broader basket including health and education expenditure
The Suresh Tendulkar Committee revised India's poverty estimation methodology by moving away from uniform calorie consumption metrics. Recognizing that human well-being requires more than basic caloric intake, the panel incorporated private household expenditures on essential non-food services, specifically healthcare and education. This modern approach established a broader consumption basket reflecting actual household expenditure standards across rural and urban sectors.

5. (A) Alagh Committee, Lakdawala Committee, Tendulkar Committee, Rangarajan Committee
Official poverty estimation panels in India followed a distinct chronological progression. The Y. K. Alagh Committee was constituted in 1979 to define energy requirements. The D. T. Lakdawala Committee followed in 1993, refining state-specific poverty lines. The Suresh Tendulkar Committee introduced non-food consumption metrics in 2009, and the C. Rangarajan Committee was appointed in 2012 to review poverty estimation methodologies.

6. (D) A sudden spike in domestic inflation triggered by a massive disruption in global crude oil supply due to geopolitical conflict
Supply-shock inflation occurs when unforeseen exogeneous events restrict aggregate domestic or global supply, leading to increased production costs and general price hikes. Geopolitical conflicts that disrupt critical natural resources, such as global crude oil supplies, immediately reduce availability and elevate energy prices worldwide. This sudden cost increase permeates manufacturing, transport, and agricultural supply chains, driving economy-wide price inflation.

7. (B) When aggregate demand for goods and services outstrips the economy's aggregate production capacity
Demand-pull inflation arises when total national demand for final goods and services exceeds the economy's overall structural production capacity at full employment. Increased consumer purchasing power, expansionary monetary policies, or elevated public expenditure drive spending beyond existing supply limits. As aggregate supply cannot immediately adapt to match this heightened demand, suppliers raise

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private buyer. This shift aims to improve private management practices and operating efficiency.

24. (C) Modern Food Industries Limited
Modern Food Industries Limited holds historical significance as the first central public sector enterprise to undergo strategic privatization with complete management control transfer. In January 2000, the Government of India divested fifty-one percent of its equity shareholding to Hindustan Lever Limited, marking the initial practical execution of strategic disinvestment policy in the post-liberalization economic era.

25. (A) P-2, Q-4, R-3, S-1
Token disinvestment involves selling a small shareholding to raise revenue without surrendering state control. Strategic disinvestment entails selling equity along with the transfer of management control. A golden share allows the government to retain a nominal equity holding with statutory veto power over major strategic corporate decisions. Nationalization represents the acquisition of private assets into public ownership.

26. (A) It marked the government's complete exit from the loss-making aviation sector
The strategic disinvestment of Air India in 2021 represented a major milestone in public sector enterprise reform, transferring 100 percent equity ownership and management control to Talace Private Limited. This transaction signified the state's complete operational exit from a heavily debt-burdened, commercial aviation domain, validating government policy commitment to exit non-strategic commercial sector operations.

27. (B) FDI involves long-term physical asset creation and management control, while FII involves short-term market investments
Foreign Direct Investment involves long-term foreign capital equity investments aimed at establishing physical productive assets, joint ventures, or direct operational control within host enterprises. In contrast, Foreign Institutional Investment refers to non-controlling capital allocations in secondary stock and debt markets. Foreign Institutional Investments represent liquid, short-term portfolio holdings rather than direct physical management or firm ownership.

28. (B) Enactment of MRTP Act, Nationalization of 14 Major Commercial Banks, Initiation of LPG Reforms, Enactment of FRBM Act
India's modern macroeconomic timeline shows clear structural policy stages. The Monopolies and Restrictive Trade Practices Act was enacted in December 1969. Fourteen major private commercial banks were nationalized earlier in July 1969 (though MRTP legislation passed in late 1969). Structural Liberalization, Privatization, and Globalization reforms began in July 1991. The Fiscal Responsibility and Budget Management Act was passed in 2003.

29. (A) The Code on Minimum Educational Qualifications for Workers
To modernize national labor governance, twenty-nine existing central labor statutes were consolidated into four distinct codes. These official enactments comprise the Code on Wages (2019), the Industrial Relations Code (2020), the Code on Social Security (2020), and the Occupational Safety, Health and Working Conditions Code (2020). Regulations governing academic qualifications for workers do not exist as a central labor code.

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30. (B) I and III only
Land acquisition in India faces significant challenges because the country relies on presumptive titling rather than guaranteed conclusive land titles. This causes land ownership disputes and title uncertainty, creating severe litigation bottlenecks for industrial developers. Such administrative complexities and legal disputes lead to substantial cost escalation and project execution delays for major national infrastructure programs.

31. (D) Integrating the domestic economy globally by removing trade barriers and liberalizing capital flows
Within the 1991 economic reform framework, globalization was operationalized as the systemic integration of the domestic economy with international markets. This policy required reducing import tariffs, eliminating quantitative trade restrictions, deregulating foreign direct investment norms, and streamlining capital account transactions. These measures enabled free exchange of goods, services, technology, and international investment flows across economic borders.

16. (C) Those industries pertained to security, strategic concerns, hazardous chemicals, and environmental protection
The 1991 New Industrial Policy abolished compulsory industrial licensing across most manufacturing activities to boost market efficiency. However, mandatory licensing was specifically preserved for a select negative list of industries. This retention was driven by vital national priorities, including public safety, strategic defense considerations, management of hazardous industrial chemicals, public health safeguards, and ecological environmental protection.

17. (B) The Competition Act, 2002
The Monopolies and Restrictive Trade Practices Act of 1969 focused on limiting asset accumulation and firm expansion. Following post-1991 economic reforms, the legislation was deemed restrictive to market growth. Consequently, it was repealed and replaced by the Competition Act of 2002, which established the Competition Commission of India to prevent anti-competitive practices and foster fair market competition.

18. (D) The Narasimham Committee
The M. Narasimham Committee on the Financial System, appointed in 1991, laid the foundation for structural banking sector reforms. It advocated moving away from rigid state controls toward market-determined financial mechanisms. The committee recommended deregulating commercial interest rates, reducing Statutory Liquidity Ratios, lowering Cash Reserve Ratios, and introducing international capital adequacy norms to enhance operational banking efficiency.

19. (A) Stabilization addresses short-term balance of payments and inflation, while structural adjustment improves long-term economic efficiency
In economic reform frameworks, macroeconomic stabilization focuses on immediate demand management to correct short-term imbalances, such as curbing hyperinflation and managing foreign exchange depletion. Conversely, structural adjustment programs address supply-side constraints by implementing long-term microeconomic and institutional reforms, including trade liberalization, privatization, and industrial deregulation, to enhance productivity, competitive efficiency, and sustained aggregate output growth.

20. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
International monetary organizations attach detailed structural adjustment conditionalities to emergency assistance loans to guarantee financial discipline. During the 1991 crisis, the loans extended were contingent upon mandatory domestic economic reforms. These policy conditions ensured that the borrowing nation established fiscal sustainability, enhanced foreign trade competitiveness, and addressed core economic weaknesses, securing long-term financial stability and international debt repayment capacity.

21. (A) Foreign Direct Investment (FDI) and portfolio equity inflows
Post-1991 economic policies deliberately shifted away from debt-creating external commercial borrowings toward non-debt capital flows to manage Current Account Deficits safely. Foreign Direct Investment and portfolio equity inflows inject external funds without adding sovereign repayment liabilities or interest burdens. These non-debt equity flows offer greater long-term economic stability, financing current account imbalances while encouraging technology transfer and market integration.

22. (D) Factor markets, particularly land acquisition, labour laws, and capital markets
First-generation economic reforms in India concentrated on product market deregulation, foreign trade liberalization, and financial sector deregulation. In contrast, second-generation reforms focus on complex factor markets, which include land acquisition frameworks, labor market codes, and capital market structures. Overhauling factor markets is critical to removing structural bottlenecks, lowering compliance burdens, and enhancing manufacturing sector output.

23. (B) Strategic disinvestment entails selling a substantial state shareholding along with management control transfer to a private entity
Minority disinvestment involves selling a small portion of public enterprise equity while retaining state ownership and administrative control. In contrast, strategic disinvestment refers to selling fifty percent or more of government shareholding in a public enterprise, accompanied by the explicit transfer of management control to a strategic

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56. (C) Make exports cheaper and globally competitive while raising import costs to preserve foreign reserves
Currency devaluation adjusts nominal exchange rates downward to improve international trade balances. Lowering the domestic currency value makes exports relatively cheaper and more price-competitive in foreign markets, encouraging export volumes. Concurrently, foreign goods become more expensive domestically, dampening import demand. This dual mechanism increases foreign currency earnings, reduces foreign reserve outflows, and helps stabilize current account balances.

57. (D) Unrestricted freedom to convert local financial assets into foreign financial assets at market rates
Capital Account Convertibility allows unrestricted freedom to convert local domestic currency into foreign currencies to acquire financial and physical capital assets abroad, and vice versa. Unlike current account convertibility, which covers visible merchandise trade and invisible service flows, capital account convertibility pertains to international cross-border investment flows, corporate real estate purchases, foreign equity investments, and sovereign debt holdings.

58. (A) MSMEs faced cheap import competition while struggling with infrastructure bottlenecks and high credit costs
Post-1991 trade liberalization exposed domestic micro, small, and medium enterprises to intense international market competition as tariff barriers fell. While foreign goods entered domestic markets freely, domestic small producers struggled with internal operational constraints, including high formal credit costs, inadequate logistics infrastructure, erratic power supply, and outdated manufacturing technology, impairing their market competitiveness.

59. (B) Tax cuts combined with a massive pre-election cash transfer scheme
Cost-push inflation originates from supply-side cost shocks such as minimum support price increases, freight transport disruptions, or crop failures, which raise production costs independently of consumer demand. Conversely, combining tax cuts with large direct cash transfers increases household disposable income and aggregate market spending. This expansion in total consumer purchasing power represents a classic driver of demand-pull inflation.

60. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
First-generation post-1991 reforms successfully liberalized product markets, industrial entry, and foreign trade frameworks. However, factor markets covering land and labor remained governed by rigid, complex, and outdated historical regulations. Because inflexible labor laws and land acquisition hurdles constrain manufacturing scale, contemporary second-generation reforms prioritize factor market deregulation to boost industrial productivity and national manufacturing growth.

61. (A) The Industrial Relations Code
The Industrial Relations Code of 2020 consolidated three foundational historical labor statutes: the Trade Unions Act of 1926, the Industrial Employment (Standing Orders) Act of 1946, and the Industrial Disputes Act of 1947. This unified statutory framework modernizes dispute resolution mechanisms, simplifies trade union registration criteria, and provides operational flexibility regarding standing orders for industrial establishments.

62. (C) Capital Receipts
Disinvestment proceeds from the strategic or minority equity sale of government shares in public sector enterprises are categorized as capital receipts in Union Budget accounts. Because these financial proceeds result from liquidating existing physical state assets without creating new debt obligations, they are specifically classified as non-debt creating capital receipts rather than recurring revenue receipts.

63. (D) The Eleventh Five Year Plan (2007-2012)
The Eleventh Five Year Plan (2007–2012), titled "Towards Faster and More Inclusive Growth," formally introduced inclusive growth as a central, explicit macro-planning objective. The plan aimed to ensure that economic growth translated into poverty reduction, employment generation, improved healthcare and education access, regional inequality reduction, and broad-based socioeconomic development across all population groups.

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32. (C) Chelliah Committee
The Tax Reforms Committee, headed by Dr. Raja J. Chelliah in 1991, laid out comprehensive restructuring plans for India's fiscal system. The committee specifically recommended reducing excessively high peak customs tariffs, rationalizing import duties, simplifying tax structures, and lowering corporate tax burdens. These trade policy modifications were designed to integrate domestic production with international market trade networks.

33. (B) The persistence of a large informal sector employing over 80% of workers with minimal social security
Despite high post-1991 economic growth, a major structural limitation was the persistence of an extensive informal workforce. Over eighty percent of the labor force remains employed in informal activities characterized by low employment elasticity, minimal social security coverage, absent legal contracts, and irregular wages. This dual labor market prevents economic gains from spreading equitably across all population segments.

34. (D) Coastal states had better ports and human capital, enabling them to leverage export growth and IT services
Post-liberalization regional economic divergence favored southern and western coastal states due to structural advantages. Superior maritime port infrastructure, well-developed physical transport networks, existing industrial bases, and higher human capital development levels enabled these coastal regions to attract significant foreign direct investment, leverage global trade avenues, and expand capital-intensive service and technology export sectors.

35. (B) I, II, and IV only
Inclusive growth emphasizes that economic expansion must generate accessible opportunities and equitable benefit distribution across all societal demographics. Structural unemployment directly impedes inclusive growth by isolating segments of the workforce from economic gains. Expanding access to essential public services, such as healthcare and education, represents a foundational requirement for building long-term human capabilities and social equity.

36. (C) The government's total expenditure exceeds its total revenue receipts and non-debt capital receipts
In macroeconomic accounting, the Fiscal Deficit measures the absolute financial gap between a government's total budget expenditure and its total non-debt budget receipts. Non-debt receipts comprise tax revenue, non-tax revenue, and non-debt capital receipts such as loan recoveries and disinvestment income. Consequently, fiscal deficit represents the total external and domestic borrowing required by government to fund budget expenditures.

37. (A) The tertiary services sector
India's post-1991 structural transformation bypassed the conventional economic trajectory of moving from agriculture to heavy manufacturing dominance. Instead, the tertiary services sector experienced accelerated expansion, driven by information technology, telecommunications, financial services, and business processes. As a result, the services sector rapidly emerged as the principal contributor to India's Gross Domestic Product and export earnings.

38. (D) Non-debt creating Capital Receipts
Disinvestment receipts are generated through selling government equity holdings in central public sector enterprises to private investors or the public. In government budget accounting, these proceeds are classified under non-debt creating capital receipts. They reduce state capital assets without creating future financial liabilities, interest repayment burdens, or adding to sovereign public debt obligations.

39. (B) High fiscal and revenue deficits threatening economic stability
The Fiscal Responsibility and Budget Management Act of 2003 was enacted to institutionalize macroeconomic fiscal discipline within government finance. Chronic fiscal deficits, elevated public debt ratios, and persistent revenue deficits threatened economic stability. The Act established binding statutory targets to progressively reduce fiscal and revenue deficits, eliminate central bank fiscal debt monetization, and ensure long-term intergenerational fiscal sustainability.

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40. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Inflation functions as a regressive economic tax because it systematically diminishes the real purchasing power of monetary cash balances and unindexed fixed incomes. Low-income socioeconomic segments dedicate the majority of their budget to basic goods without owning inflation-hedged financial assets. Consequently, price increases penalize low-income earners disproportionately, reducing their standard of living and heightening income inequality.

41. (D) Legally guaranteeing 100 days of wage employment in unskilled manual work to rural households
The Mahatma Gandhi National Rural Employment Guarantee Act addresses rural underemployment by creating a statutory right to work. It guarantees a minimum of one hundred days of wage employment per financial year to rural households willing to perform unskilled manual labor. This demand-driven framework provides social safety nets, enhances rural purchasing power, and builds durable community infrastructure assets.

42. (A) Privatization transfers management control to private hands, while minority disinvestment retains majority state ownership
Minority disinvestment involves selling a small portion of public sector enterprise equity while retaining majority government ownership and administrative control. In contrast, full privatization or strategic sale entails transferring majority ownership and executive operational control to private entities. Minority disinvestment acts as a fiscal revenue mechanism, whereas privatization restructures ownership structures and corporate management.

43. (B) A regime of automatic approval for 100% Foreign Direct Investment in most sectors
Prior to the 1991 economic reforms, India operated under an inward-looking regulatory framework characterized by strict industrial licensing, severe import tariffs, and statutory quantitative trade restrictions. Automatic approvals for 100 percent Foreign Direct Investment did not exist; foreign investment was heavily restricted and required rigorous, case-by-case government clearance under the stringent Foreign Exchange Regulation Act framework.

44. (B) Jobless Growth — High GDP growth coupled with high employment elasticity
Jobless growth represents a macroeconomic scenario where strong domestic product expansion fails to generate corresponding growth in employment opportunity creation. This condition is characterized by exceptionally low, rather than high, employment elasticity of growth. High employment elasticity signifies that economic expansion generates substantial employment, which directly contradicts the core structural definition of jobless growth.

45. (A) P-2, Q-3, R-4, S-1
Post-1991 macroeconomic reforms restructured regulatory trade and industrial bodies. Quantitative import restrictions were systematically phased out to align with global trade norms. The restrictive MRTP Act was replaced by the Competition Act of 2002. The rigid Foreign Exchange Regulation Act was superseded by the liberalized Foreign Exchange Management Act of 1999, and compulsory industrial licensing was abolished across most sectors.

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46. (C) The peak duty was reduced from over 150% in 1991 to roughly 10% by the late 2000s
Trade tariff reduction formed a main component of post-1991 structural economic reforms. Prior to 1991, peak customs duties on non-agricultural imports exceeded 150 to 300 percent, insulating domestic industries from global competition. Following recommendations by the Chelliah Committee, peak tariff rates were systematically reduced over subsequent budgets, eventually stabilizing at approximately 10 percent by the late 2000s.

47. (D) Core inflation excludes volatile food and energy prices to capture underlying price trends
Core inflation isolates long-term underlying inflationary trends across an economy by excluding highly volatile price components, specifically food items and energy products. While headline inflation includes these fluctuating segments, core inflation provides monetary authorities with a clearer, stabilized metric of persistent aggregate demand dynamics, preventing short-term supply-side price shocks from distorting long-term monetary policy formulation.

48. (C) Consumer Price Index (CPI) - Combined
Following recommendations by the Urjit Patel Committee in 2014, the Reserve Bank of India adopted Consumer Price Index (Combined) as its primary nominal anchor for monetary policy decisions. Replacing the Wholesale Price Index, this headline retail inflation metric accurately reflects actual cost-of-living changes experienced by consumers, forming the official baseline for flexible inflation targeting frameworks in India.

49. (B) India imports 80-85% of its crude oil, so higher costs cascade across transport and manufacturing
India imports over eighty percent of its total domestic crude oil demand to satisfy transport and industrial requirements. Consequently, global oil price increases immediately elevate import bills and domestic fuel costs. Increased freight and logistics expenses subsequently cascade into production costs across manufacturing, commercial distribution, and agriculture, generating widespread cost-push imported inflation throughout the national domestic economy.

50. (A) I and II only
Post-1991 Foreign Direct Investment policy reforms introduced the automatic route, permitting foreign investments without prior administrative clearance in approved economic sectors. The Foreign Investment Promotion Board was established to process investment proposals outside the automatic framework. However, multi-brand retail trading remains regulated with conditional entry requirements and local sourcing norms rather than unreserved automatic approval.

51. (A) Prone to rapid outflows due to global interest rate changes or market panic
Foreign Institutional Investment equity and debt capital is categorized as hot money because of its highly liquid and transient nature. Unlike physical direct investments, these market portfolio flows can be rapidly liquidated and repatriated overseas in response to global monetary interest rate shifts, exchange rate fluctuations, or changing international investor market sentiment, causing sudden external capital account volatility.

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52. (A) I, III, II, IV
Major rural development and welfare schemes followed a distinct historical timeline in India. The Integrated Rural Development Programme was launched in 1978 and expanded nationally in 1980. Pradhan Mantri Gram Sadak Yojana commenced in December 2000. The Mahatma Gandhi National Rural Employment Guarantee Act was enacted in 2005, and Pradhan Mantri Kisan Samman Nidhi was introduced in 2019.

53. (A) Persistent tax shortfalls combined with heavy spending on subsidies, interest, and salaries
High fiscal deficits in India stem primarily from structural imbalances within public finances. On the expenditure side, non-developmental revenue commitments, including interest payments on past public debt, defense spending, government salaries, and explicit subsidies for food and fertilizers, remain high. When these committed expenditures exceed tax and non-tax revenue collection, large net borrowing requirements emerge.

54. (D) Mandating prior consent of affected families and Social Impact Assessments for public-private projects
The Land Acquisition Act of 2013 reformed property acquisition processes by balancing infrastructure development with landholder protection. The statute established mandatory Social Impact Assessment studies to assess project consequences on local communities. Furthermore, it required obtaining explicit prior consent from a specified percentage of affected landowning families for public-private partnership and private industrial land acquisition projects.

55. (A) I, II, and III only
The 1991 economic crisis was driven by underlying structural vulnerabilities accumulating throughout the 1980s. Unsustainable fiscal deficits expanded public debt and external borrowing, while protected domestic industries produced stagnant export revenues. Simultaneously, the geopolitical dissolution of the Soviet bloc disrupted bilateral rupee trade agreements. Conversely, foreign exchange reserves were dangerously low rather than accumulated during the late 1980s.

market prices, generating upward inflationary pressure across sectors.

8. (C) Inflation resulting from an increase in prices of essential imported commodities, often exacerbated by currency depreciation
Imported inflation materializes when a nation faces escalating domestic price levels due to rising costs of imported essential raw materials or capital goods. When world commodity prices surge or the domestic exchange rate depreciates against foreign currencies, importing key inputs like petroleum becomes more expensive. These higher import expenditures increase production costs domestically, escalating broad retail consumer price indices.

9. (D) Because a large share of poor households' income goes to essential consumer goods, and their nominal incomes do not index fully to inflation
Inflation functions customarily as a regressive tax because low-income households spend a dominant portion of their income on essential commodities like food and fuel. Unlike high-income households or capital asset owners, poor workers in the informal sector lack indexed wages or inflation-hedged financial assets. Consequently, price increases severely diminish their real purchasing power, widening wealth disparities during inflationary periods.

10. (A) I and II only
Structural poverty stems from persistent systemic flaws within an economy, such as institutional land inequality, inadequate healthcare, and unequal educational access. Because these institutional handicaps are deeply ingrained, temporary monetary adjustments or short-term macroeconomic stimulus cannot eliminate structural poverty. Furthermore, post-1991 economic liberalization did not completely eradicate structural poverty, as regional disparities and informal employment continue to persist.

11. (A) Less than 3 weeks
By mid-1991, India encountered an unprecedented Balance of Payments crisis that brought foreign exchange reserves down to approximately 1.2 billion dollars. This critical depletion was insufficient to cover even three weeks of essential imports, such as crude oil and food items. The severe shortage forced emergency policy measures to avoid immediate international debt default and sustain minimal national economic stability.

12. (A) I, II, III, IV
The 1991 economic timeline commenced with the Gulf War in 1990–1991, causing global oil spikes and depleting reserves. In May 1991, India pledged and physically airlifted gold reserves to secure foreign loans. On July 24, 1991, the New Industrial Policy was presented to end the License Raj, followed by structural adjustment loans from the International Monetary Fund.

13. (A) A sovereign default on India's short-term external debt obligations
In May 1991, India faced an acute liquidity shortage as foreign exchange reserves plummeted below import cover requirements. To meet imminent external debt obligations and prevent an immediate sovereign default, the government and Reserve Bank of India pledged gold reserves to the Bank of England and Bank of Japan to raise crucial emergency foreign liquidity and restore creditor confidence.

14. (C) Importing more goods and services than it exports, utilizing foreign savings to finance domestic expenditure
A Current Account Deficit occurs when a country's total expenditure on imported goods, services, and net primary transfer payments exceeds its total export revenues. To bridge this structural shortfall, the economy relies on foreign capital inflows, net borrowing, or drawing down foreign exchange reserves. Consequently, the nation utilizes international capital and foreign savings to finance domestic consumption and investment expenditures.

15. (B) I, III, and IV only
The structural adjustment program tied to international loans in 1991 required substantial structural economic reforms. Key conditionalities included drastically lowering import tariffs to encourage foreign trade, devaluing the currency to enhance export competitiveness, and dismantling industrial licensing to promote private market entry. Conversely, the policies demanded fiscal consolidation to reduce government budget deficits rather than expanding fiscal deficits.

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64. (C) Absolute parity in agricultural output compared to the Indo-Gangetic plain
Southern and western coastal states outperformed landlocked regions in attracting post-1991 private investment due to superior maritime infrastructure, port access, skilled workforce availability, and established industrial clusters. Agricultural parity with the fertile Indo-Gangetic plain was not a significant factor driving private industrial capital, as private investments focused predominantly on manufacturing, technology, and international service industries.

65. (A) P-3, Q-2, R-1, S-4
Expert committees guided specific post-1991 structural reforms in India. The Raja Chelliah Committee recommended comprehensive direct and indirect tax reforms. The M. Narasimham Committee laid down frameworks for banking and financial sector deregulation. The C. Rangarajan Committee formulated guidelines for public sector enterprise disinvestment, and the Omkar Goswami Committee examined corporate restructuring and industrial sickness.

66. (D) Atomic Energy and Railway Transport
Under the 1991 New Industrial Policy, industrial licensing was drastically dismantled and private sector participation was expanded. However, the state initially retained exclusive public sector reservation over eight strategic areas. Over time, this list was narrowed further, leaving only atomic energy generation and core railway transport operations reserved exclusively for state ownership and operational control on security and strategic grounds.

67. (C) 2001
Quantitative restrictions on imports, such as import licensing and physical quotas, were systematically dismantled following the 1991 trade reforms. Following a dispute ruling by the World Trade Organization in favor of trading partners, India completed the final removal of all remaining quantitative restrictions on consumer goods and agricultural products by April 2001, fully liberalizing import market access.

68. (C) Severe deprivation of basic human needs like food, water, and shelter relative to a fixed poverty line
Absolute poverty refers to a condition where an individual or household lacks sufficient income or resources to satisfy basic human survival needs, including food, potable water, sanitation, shelter, and healthcare. Unlike relative poverty, which evaluates income inequality relative to broad national averages, absolute poverty is measured against a fixed monetary or consumption benchmark called the poverty line.

69. (A) State-guaranteed land titles ensuring accuracy and reducing ownership litigation
Presumptive land titling in India relies on historical revenue records and registered deeds, which offer no absolute statutory guarantee of ownership accuracy and cause frequent property litigation. Transitioning to conclusive land titling provides state-guaranteed land ownership titles. This framework eliminates ownership uncertainty, reduces title litigation, and enables farmers to seamlessly leverage land assets as valid collateral for formal institutional credit.

70. (A) I and II only
The Fiscal Responsibility and Budget Management Act of 2003 establishes mandatory fiscal targets to enforce government financial discipline. To accommodate emergencies, statutory escape clauses permit temporary deviations from fiscal targets under exceptional events like national security threats or economic shocks. The legislation regulates public borrowing mechanisms without completely prohibiting normal debt financing through commercial banking channels.

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71. (B) An industrial structure with many tiny informal units and a few mega-firms, but missing mid-sized formal plants
The missing middle describes a structural distortion within India's manufacturing sector characterized by a bi-modal size distribution of industrial firms. The economy features a vast number of micro, informal, low-productivity enterprises and a small number of large corporate capital-intensive plants. However, efficient, medium-sized formal manufacturing plants remain underrepresented, largely due to regulatory compliance thresholds and rigid labor laws.

72. (C) Borrowers/Debtors who owe money at fixed nominal interest rates
During inflationary periods, unexpected general price rises redistribute wealth between creditors and debtors. Borrowers or debtors operating with fixed nominal interest rate agreements

benefit because they repay outstanding financial liabilities using inflated currency that possesses lower real purchasing power than the money originally borrowed. Conversely, fixed-rate lenders and fixed-income earners suffer real financial losses due to purchasing power erosion.

73. (D) Sectoral policy reforms focusing on trade liberalization, privatization, and deregulation
Structural adjustment lending provided by the World Bank during the 1991 Balance of Payments crisis targeted long-term supply-side economic efficiency. Unlike short-term liquidity support, World Bank assistance was conditioned on structural economic reforms across key sectors. These mandatory policy reforms encompassed international trade liberalization, industrial delicensing, state enterprise privatization, and systemic market deregulation to foster macroeconomic efficiency.

74. (A) Poverty reduction accelerated post-2000 compared to pre-reform decades, driven by higher economic growth
Empirical economic evaluations of India's post-liberalization period demonstrate that poverty reduction rates accelerated significantly after the late 1990s and 2000s compared to pre-1991 decades. Higher aggregate GDP growth, structural transformation, expanding service sectors, and targeted rural social security schemes contributed to a faster reduction in headcount poverty ratios, despite rising regional and income wealth inequalities.

75. (A) I, II, and III only
Codifying central labor laws addressed long-standing structural inefficiencies in labor governance. Overlapping historical statutes created burdensome compliance costs and discouraged formal job creation, leading to workforce casualization. The four new Labor Codes streamline administrative compliance, modernize industrial relations, and extend social security coverage to gig and platform workers, while preserving statutory rights to legal trade union representation.

76. (B) Taxpayers entering higher tax brackets from nominal wage increases matching inflation, raising real tax burden
Fiscal drag occurs in an inflationary macroeconomic environment when progressive tax brackets are unadjusted for inflation. As nominal wages increase to keep pace with general price inflation, income earners are pushed into higher income tax brackets. This dynamic increases taxpayers' effective nominal and real tax burdens despite no change in real purchasing power, suppressing private consumption spending automatically.

77. (A) A period of prolonged economic stagnation and high unemployment occurring simultaneously with high inflation
Stagflation represents a macroeconomic anomaly where an economy experiences stagnant gross domestic product growth, high unemployment, and persistent price inflation simultaneously. This condition invalidates simple demand-pull Keynesian models, as slowing economic activity typically reduces inflation. Stagflation is frequently triggered by severe negative supply shocks, such as sharp energy price spikes, which elevate production costs while suppressing economic output.

78. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Conclusive land titling provides legally guaranteed land ownership titles, removing title ambiguity and land litigation risks across rural regions. Establishing unassailable property titles enables agricultural landowners to utilize land assets as formal financial collateral. This legal certainty facilitates access to low-cost institutional bank credit, encouraging agricultural capital investment while reducing reliance on exploitative informal moneylenders.

79. (D) Foreign Currency Assets, Gold Reserves, SDRs, and IMF Reserve Tranche Position
Official foreign exchange reserves held by the Reserve Bank of India comprise four main financial components that guarantee external financial liquidity and currency stability. These reserve assets include Foreign Currency Assets, physical Gold Reserves held by the central bank, Special Drawing Rights allocated by the International Monetary Fund, and India's Reserve Tranche Position within the International Monetary Fund.

80. (A) P-2, Q-1, R-3, S-4
Macroeconomic budget deficits evaluate fiscal imbalances through distinct financial metrics. Fiscal deficit measures overall borrowing requirements by subtracting non-debt receipts

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from total expenditure. Revenue deficit isolates consumption shortfalls by subtracting revenue receipts from revenue expenditure. Primary deficit subtracts interest payments on historical debt from fiscal deficit, while monetized deficit represents central bank debt financing through currency creation.

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(D) Marwar region (Jodhpur, Pali, Nagaur)

21. Tausar village in the Nagaur district is famous across India for the production of which spice crop?
(A) Fenugreek (Methi)
(B) Coriander
(C) Turmeric
(D) Garlic

22. What is the most significant difference in the irrigation dependency of commercial crops between eastern and western Rajasthan?
(A) Eastern Rajasthan relies entirely on major canal systems, whereas western Rajasthan relies solely on erratic seasonal rainfall
(B) Both regions rely equally on traditional tank irrigation networks for all their major commercial cash crops
(C) Western Rajasthan uses deep tube-wells exclusively due to groundwater, while eastern Rajasthan uses canal networks only
(D) Eastern Rajasthan uses tube-wells and open wells, while western agriculture relies heavily on canal networks like IGNP

23. Which of the following is an incorrect pair of a commercial crop and its major producing district in Rajasthan?
(A) Kinnow - Sri Ganganagar
(B) Cumin - Jaisalmer
(C) Pomegranate - Barmer
(D) Coriander - Jhalawar

24. Consider the following statements about Mustard production in Rajasthan:
I. Rajasthan is the largest producer of mustard in India.
II. It is predominantly cultivated in the Bharatpur-Alwar-Sri Ganganagar belt.
III. It is sown during the Kharif season along with bajra.
IV. It is highly susceptible to frost during its flowering stage.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

25. Under the government's Minimum Support Price (MSP) operations in Rajasthan, which agency typically acts as the primary state-level nodal agency for the procurement of oilseeds and pulses?
(A) RIICO
(B) RSRTC
(C) RSMM
(D) RAJFED

26. Which phenomenon poses the greatest recurring threat to crop yield stability in western Rajasthan?
(A) Erratic rainfall patterns and prolonged dry spells
(B) Severe frequent floods caused by overflowing rivers
(C) Unseasonally high incidence of frost during summer
(D) Extremely high and excessive soil acidity levels

27. What is a major market access challenge faced by farmers growing commercial crops in remote areas of western Rajasthan?
(A) Over-abundance of local processing units driving prices too high
(B) Long distances to regulated mandis resulting in high transportation costs
(C) Complete ban by the state government on selling produce outside the village
(D) Mandatory requirement to export all produce internationally

28. Which district in Rajasthan is the leading producer of the citrus fruit Kinnow?
(A) Jhalawar
(B) Sri Ganganagar
(C) Sirohi
(D) Bikaner

29. Match List I with List II and select the correct code from the options given below:
List I: (Crop Variety)
P. Narma
Q. Mahi Kanchan
R. Raj 3077
S. Varuna
List II: (Crop)
1. Maize
2. Wheat
3. Mustard
4. Cotton
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-1, R-4, S-3

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10. Arrange the following districts in descending order of their typical contribution to Mustard production in Rajasthan (highest to lowest):
1. Bharatpur
2. Tonk
3. Udaipur
4. Dungarpur

(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 4, 3, 2, 1
(D) 1, 3, 2, 4

11. What is Rajasthan's position in the national production of Mustard?
(A) First
(B) Second
(C) Third
(D) Fifth

12. The "Narma" variety cultivated extensively in the irrigated tracts of Sri Ganganagar and Hanumangarh is associated with which crop?
(A) Wheat
(B) Cotton
(C) Sugarcane
(D) Guar

13. Match List I with List II and select the correct code from the options given below:

List I: (Crop)
P. Mustard
Q. Coriander
R. Maize
S. Cumin

List II: (Leading Producing District/Region)
1. Baran
2. Bharatpur
3. Jodhpur
4. Banswara

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

14. Which town in Rajasthan is often referred to as the "Rajkot of Rajasthan" due to its high quality and quantity of groundnut production?
(A) Phalodi
(B) Suratgarh
(C) Lunkaransar
(D) Pokhran

15. In addition to Bikaner, which district is a major producer of Groundnut in Rajasthan?
(A) Jalore
(B) Pratapgarh
(C) Dholpur
(D) Nagaur

16. For which of the following commercial crops does Rajasthan hold a near-monopoly, accounting for the vast majority of India's total production?
(A) Sugarcane
(B) Soybean
(C) Guar (Cluster bean)
(D) Cotton

17. The primary industrial utility of the Guar crop, which drives its commercial demand, is the extraction of:
(A) Essential oils extensively extracted for use in high-end cosmetic products
(B) Guar gum used in commercial food processing and hydraulic fracturing
(C) Bio-diesel fuel refined for heavy industrial machinery and transportation
(D) High-protein specialized flour processed for human nutritional consumption

18. Consider the following statements regarding Bajra cultivation in Rajasthan:
I. It is the largest Kharif foodgrain crop in the state by sown area.
II. It requires heavy irrigation and prolonged waterlogging for optimal growth.
III. It is highly resilient to drought conditions and thrives in sandy soils.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

19. The "Jeera (Cumin) belt" of Rajasthan predominantly encompasses which of the following districts?
(A) Jodhpur, Nagaur, and Barmer
(B) Kota, Bundi, and Baran
(C) Alwar, Bharatpur, and Dholpur
(D) Banswara, Dungarpur, and Udaipur

20. Which region of Rajasthan is widely recognized as the "spice bowl" for Coriander production?
(A) Shekhawati region (Sikar, Jhunjhunu, Churu)
(B) Mewar region (Udaipur, Rajsamand, Bhilwara)
(C) Hadoti region (Kota, Baran, Jhalawar)

CHAPTER 12
Food and Commercial Crops of Rajasthan

1. Which of the following best describes the fundamental nature of Rajasthan's agricultural economy?
(A) Primarily plantation-based with heavy reliance on export-oriented cash crops
(B) Heavily dependent on arid and semi-arid dryland farming with significant monsoon reliance
(C) Dominated by intensive wetland paddy cultivation due to a dense river network
(D) Exclusively reliant on canal irrigation with negligible rainfed agriculture

2. Which two districts are the largest producers of wheat in Rajasthan, primarily due to assured canal irrigation?
(A) Jodhpur and Jaisalmer
(B) Banswara and Dungarpur
(C) Churu and Sikar
(D) Sri Ganganagar and Hanumangarh

3. What is the primary reason wheat cultivation in western Rajasthan is highly localized rather than widespread?
(A) Wheat is a water-intensive Rabi crop heavily dependent on canal irrigation like the IGNP
(B) Wheat requires black soil, which is entirely absent in the region
(C) Wheat is highly sensitive to frost, which occurs daily in western districts
(D) Farmers in western Rajasthan exclusively practice organic farming, which does not support wheat

4. Which crop accounts for the largest sown area during the Kharif season in Rajasthan?
(A) Maize
(B) Cotton
(C) Bajra
(D) Groundnut

5. Why is Bajra exceptionally suited to the agricultural conditions of western Rajasthan?
(A) It possesses high drought resilience and thrives in sandy soils with low moisture
(B) It requires heavy, continuous monsoon rainfall throughout its entire growth cycle
(C) It is a winter crop that benefits greatly from severe cold waves in the desert
(D) It requires deep loamy soils and heavy fertilizer application for germination

6. Identify the incorrect statement regarding Maize cultivation in Rajasthan.
(A) It is primarily grown in the southern districts such as Banswara and Chittorgarh
(B) It forms a staple part of the diet for the tribal population of the region
(C) Red loamy soil is considered highly suitable for its cultivation
(D) It thrives best in the sandy soils of the Thar desert

7. In the context of Rajasthan's agriculture, what type of crop is Gram (Chana)?
(A) A major Kharif cereal crop
(B) A major Rabi pulse crop
(C) A Zaid fodder crop
(D) A Kharif oilseed crop

8. Read the given statements regarding agriculture in Rajasthan and select the correct option:
Assertion (A): Wheat cultivation in Rajasthan is predominantly concentrated in the Sri Ganganagar and Hanumangarh districts.
Reason (R): These districts receive the highest amount of annual rainfall in the state, making irrigation unnecessary.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

9. Which of the following districts are traditionally recognized as major producers of Barley in Rajasthan?
(A) Jaisalmer and Barmer
(B) Kota and Jhalawar
(C) Dungarpur and Banswara
(D) Jaipur and Sikar

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30. The arid and semi-arid belt of Jalore and Barmer has seen a successful rise in the horticultural cultivation of which fruit?
(A) Apple
(B) Pineapple
(C) Pomegranate
(D) Litchi

31. Which of the following options represents the correct sequence of crops in increasing order of their typical water requirement during their life cycle (from least to most)?
(A) Sugarcane, Wheat, Gram, Bajra
(B) Bajra, Wheat, Gram, Sugarcane
(C) Gram, Bajra, Sugarcane, Wheat
(D) Bajra, Gram, Wheat, Sugarcane

32. What has been the most significant agricultural impact of the Indira Gandhi Canal Project (IGNP) on western Rajasthan?
(A) Complete replacement of all native desert vegetation with dense commercial timber forests
(B) The total eradication of all recurring agricultural pest problems across the entire state
(C) A shift from drought-hardy subsistence crops to water-intensive commercial cash crops
(D) The rapid conversion of all arable agricultural land into large industrial manufacturing estates

33. In agricultural terminology, what does "Seed Replacement Rate" (SRR) signify?
(A) The overall rate at which traditional food crops are systematically replaced by commercial cash crops
(B) The percentage of sown area planted with certified seeds instead of farm-saved seeds
(C) The average speed and uniform time required at which seeds germinate in dry arid soils
(D) The legally mandatory government quota enforced on farmers for buying hybrid seed varieties

34. Read the given statements regarding agriculture in Rajasthan and select the correct option:
Assertion (A): Maize is a major crop in the southern districts of Rajasthan such as Banswara and Chittorgarh.
Reason (R): The red loamy soil found in the southern Aravalli region is highly suitable for maize cultivation.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

35. Contract farming in Rajasthan is emerging most prominently for which category of crops?
(A) Commercial crops such as Guar, Medicinal plants, and Spices
(B) Traditional subsistence food grain crops such as Bajra and Jowar
(C) Intensive wetland cultivation crops such as Paddy and Jute
(D) Minor non-timber forest produce items such as Tendu leaves

36. Which scheme is primarily implemented to promote cluster-based organic farming in Rajasthan?
(A) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(B) e-NAM
(C) Paramparagat Krishi Vikas Yojana (PKVY)
(D) Mukhyamantri Jal Swavlamban Abhiyan

37. Identify the correct statement regarding Rajasthan's contribution to national agriculture.
(A) Rajasthan leads India in the production of mustard, bajra, and guar
(B) Rajasthan is currently the single largest producer of wetland rice in India
(C) Rajasthan contributes well over 50% of India's total national wheat production
(D) Rajasthan does not commercially produce any major or minor oilseed crops

38. The Pradhan Mantri Fasal Bima Yojana (PMFBY) supports commercial crop farmers in Rajasthan primarily by:
(A) Providing completely free uninterrupted power supply for agricultural tube-wells
(B) Guaranteeing direct government purchase of all harvested crops at double the market rate
(C) Supplying free modern tractors and mechanical machinery directly to marginal farmers
(D) Providing financial protection against crop losses from non-preventable natural risks

39. Consider the following statements regarding Guar (cluster bean) cultivation in Rajasthan:
I. Rajasthan accounts for more than 70% of India's total guar production.

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(D) Drip and micro-sprinkler irrigation

58. The Minimum Support Price (MSP) in India is recommended by which body before the government announces it for farmers in Rajasthan?
(A) Commission for Agricultural Costs and Prices (CACP)
(B) NITI Aayog
(C) Reserve Bank of India (RBI)
(D) Ministry of Commerce

59. Which of the following options represents the correct geographical order of major Guar-producing districts from West to East?
(A) Dausa, Jaipur, Jodhpur, Jaisalmer
(B) Jaisalmer, Jodhpur, Jaipur, Dausa
(C) Jodhpur, Dausa, Jaisalmer, Jaipur
(D) Jaipur, Jaisalmer, Dausa, Jodhpur

60. Which of the following is NOT a consequence of poor quality seed availability (low Seed Replacement Rate) in Rajasthan?
(A) Lower crop yields
(B) Spontaneous mutation into cash crops
(C) Increased vulnerability to pests and diseases
(D) Poor uniform maturity of the crop

61. Consider the following statements regarding the agricultural impact of the Indira Gandhi Canal Project (IGNP):
I. It has facilitated a shift from drought-hardy crops to cash crops in Western Rajasthan.
II. It has entirely eliminated the problem of waterlogging and soil salinity in the command area.
III. It enabled the large-scale cultivation of wheat and cotton in Sri Ganganagar and Hanumangarh.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

62. Which of the following crops requires a frost-free period of about 210 days, making its cultivation restricted to specific climatic windows and irrigated areas in Rajasthan?
(A) Mustard
(B) Barley
(C) Cotton
(D) Gram

63. Which district is NOT traditionally part of the core Maize growing region of Rajasthan?
(A) Banswara
(B) Chittorgarh
(C) Udaipur
(D) Churu

64. What constitutes the major constraint for realizing high prices in agricultural mandis for farmers from border districts like Jaisalmer and Barmer?
(A) High local consumption leaving zero surplus
(B) Ban on agricultural trade by local panchayats
(C) Long transportation distances to major regulated markets
(D) Absolute lack of any road infrastructure connecting villages

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65. Arrange the following agricultural operations in the correct chronological order as practically followed for Kharif crops in Rajasthan:
1. Sowing
2. Harvesting
3. Field preparation
4. Weeding
(A) 3, 1, 4, 2
(B) 1, 3, 4, 2
(C) 3, 1, 2, 4
(D) 1, 4, 3, 2

66. Identify the incorrect statement concerning Gram (Chana) cultivation in Rajasthan.
(A) It is primarily grown as a cool-season Rabi crop across the region
(B) Rajasthan is consistently positioned among the top producers of Gram in India
(C) Bikaner and Churu districts are recognized as significant producers of Gram
(D) It requires water-logged conditions to germinate

67. The term "Zaid" in Rajasthan agriculture refers to:
(A) Irrigated summer crops grown between Rabi and Kharif
(B) Commercial crops cultivated during the cold peak winter season
(C) Wild indigenous grasses that grow naturally during monsoon rain
(D) Organic food crops grown without synthetic chemical fertilizers

List II: (Major Producing Region)
1. Jhalawar
2. Jalore
3. Sri Ganganagar
4. Barmer

(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-2, R-1, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

49. Which of the following pulse crops is predominantly grown in Rajasthan during the Kharif season?
(A) Gram (Chana)
(B) Moong (Green Gram)
(C) Masoor (Lentil)
(D) Peas (Matar)

50. Which crop is an essential part of the crop rotation in Rajasthan due to its ability to fix atmospheric nitrogen and improve soil fertility?
(A) Wheat
(B) Cotton
(C) Barley
(D) Gram (Chana)

51. What is the primary difference between "Desi" cotton and "Narma" cotton cultivated in Rajasthan?
(A) Desi is short-staple indigenous cotton, while Narma is medium/long-staple American cotton
(B) Desi cotton requires heavy synthetic chemical fertilizers, whereas Narma cultivation is purely organic
(C) Desi cotton is strictly grown during the cold Rabi season, whereas Narma is grown exclusively as a Zaid crop
(D) Narma yields coarse black-colored lint fiber, whereas Desi cotton yields fine soft white-colored lint

52. Consider the following statements regarding Spices in Rajasthan:
I. The Kota-Baran-Jhalawar region is known as the "spice bowl" for coriander.
II. Nagaur and Jodhpur form the major "Jeera (cumin) belt".
III. Fenugreek (Methi) cultivation is commercially prominent in the Nagaur region.
IV. Rajasthan's arid climate prevents the commercial cultivation of any seed spices.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

53. Which of the following is considered the most limiting factor for agricultural productivity in Rajasthan?
(A) Inadequate and variable water availability
(B) Severe continuous lack of sufficient sunlight
(C) Total structural absence of suitable flat terrain
(D) Over-abundance of cheap agricultural farm labor

54. Identify the correct pair representing a crop and its highest producing district in Rajasthan.
(A) Maize - Jaisalmer
(B) Groundnut - Dungarpur
(C) Cotton - Dholpur
(D) Wheat - Sri Ganganagar

55. What is the main advantage of contract farming for commercial crop growers in Rajasthan?
(A) It guarantees regular artificial rainfall during dry spells of the monsoon season
(B) Protects farmers from price volatility via pre-agreed buyer prices
(C) It completely exempts participating farmers from paying any state agricultural taxes
(D) It permanently transfers private land ownership titles to multinational corporations

56. Read the given statements regarding agriculture in Rajasthan and select the correct option:
Assertion (A): Cultivation of commercial crops like groundnut and mustard has significantly increased in the Bikaner region over the last few decades.
Reason (R): The expansion of the Indira Gandhi Canal Project has provided assured irrigation to these formerly dry tracts.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

57. Which agricultural practice is extensively used in the Jalore-Barmer pomegranate belt to optimize the use of scarce water resources?
(A) Flood irrigation
(B) Canal diversion
(C) Rainwater harvesting in deep stepwells only

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II. The Barmer-Jodhpur-Bikaner belt is the major producing region.
III. It is a highly water-intensive crop requiring continuous canal irrigation.
IV. Contract farming arrangements are increasingly being utilized for guar cultivation.

Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, II, and IV
(D) I, III, and IV

40. Which of the following is a Kharif commercial crop in Rajasthan?
(A) Wheat
(B) Mustard
(C) Cotton
(D) Gram

41. Which of the following spices is NOT typically cultivated on a large commercial scale in Rajasthan?
(A) Cumin
(B) Coriander
(C) Fenugreek
(D) Cardamom

42. Consider the following statements regarding Barley cultivation in Rajasthan:
I. It is primarily grown as a Kharif crop alongside Bajra.
II. It requires relatively less water compared to wheat.
III. It is commercially valuable for animal feed and the malting industry.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

43. Why are districts like Nagaur and Jodhpur highly suitable for Cumin (Jeera) cultivation?
(A) Cumin strictly requires heavy continuous rainfall which these dry districts receive during monsoons
(B) Dry cool Rabi climate and well-drained sandy loam soils favor cumin growth
(C) These arid districts feature abundant natural marshlands essential for supporting deep cumin roots
(D) Cumin is an obligate shade-loving crop that thrives exclusively under dense regional forest canopies

44. What is the main objective of the e-NAM (National Agriculture Market) portal for a farmer in Rajasthan?
(A) To register individual farm holdings for mandatory state organic farming certification
(B) Unified digital platform for trading agricultural commodities across mandis
(C) To apply directly for seasonal canal water supply allocation quotas from the IGNP authority
(D) To file and claim state-sponsored insurance compensation for agricultural tractor accidents

45. Which crop is often subjected to the problem of "frost" (pala) during the severe winter nights in northern and eastern Rajasthan, causing heavy yield losses?
(A) Mustard
(B) Bajra
(C) Maize
(D) Jowar

46. Identify the odd one out based on the typical agricultural season in Rajasthan.
(A) Wheat
(B) Gram
(C) Groundnut
(D) Mustard

47. What role does the Indira Gandhi Canal Project (IGNP) play in crop diversification in western Rajasthan?
(A) It has strictly restricted local desert farmers to cultivating traditional Bajra varieties only
(B) It has shifted agricultural focus entirely to commercial horticulture at the expense of field crops
(C) It has rendered the regional soil completely saline, permanently preventing the growth of any crops
(D) Introduction of cash crops like cotton, groundnut, and wheat in desert districts

48. Match List I with List II and select the correct code from the options given below:
List I: (Horticultural Crop)
P. Kinnow
Q. Pomegranate
R. Orange
S. Isabgol

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68. Which of the following districts is known for a high dependency on tube-well irrigation for commercial crops like Mustard and Wheat?
(A) Jaisalmer
(B) Banswara
(C) Alwar
(D) Dungarpur

69. Match List I with List II and select the correct code from the options given below:
List I: (Agricultural Term)
P. Seed Replacement Rate
Q. Contract Farming
R. Organic Farming
S. Minimum Support Price
List II: (Relevance/Definition)
1. Pre-agreed price and buy-back for specialized crops
2. Proportion of certified seeds used instead of farm-saved ones
3. Government floor price for procurement
4. Cultivation without synthetic chemical inputs
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-4, S-2

70. Which crop is uniquely known as a commercial cash crop in the irrigated areas of northern Rajasthan while remaining completely absent in the un-irrigated Thar desert?
(A) Bajra
(B) Moth bean
(C) Guar
(D) Cotton

71. What is the most appropriate reason for the high cultivation of coriander in the Hadoti region?
(A) It is legally designated as the only region in Rajasthan where commercial spice farming is allowed by law
(B) Black loamy soil and suitable rainfall provide favorable conditions
(C) The region is completely arid, which coriander strictly requires to dry out naturally on the stalk
(D) It is based purely on an ancient traditional cultural practice with no scientific climatic basis

72. Consider the following statements about Gram (Chana) cultivation in Rajasthan:
I. It is a major pulse crop grown during the Rabi season.
II. It requires heavy and frequent irrigation throughout its life cycle.
III. Bikaner, Churu, and Hanumangarh are among the major producing districts.
IV. It helps in enhancing soil fertility through nitrogen fixation.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

73. Which of the following is considered a negative impact of excessive canal irrigation in the IGNP command area for commercial crops?
(A) Severe, irreversible depletion of deep groundwater aquifers
(B) Complete and catastrophic destruction of all local desert wildlife
(C) Drastic permanent reduction in atmospheric humidity levels
(D) Waterlogging and soil salinity (Seem problem)

74. Which of the following represents the most scientifically appropriate method for a farmer in Rajasthan to transition to organic farming?
(A) Phase out chemicals using vermicompost and bio-pesticides over a transition period
(B) Immediately stopping all artificial irrigation and watering of all agricultural crops
(C) Shifting entire farm production solely to growing crops in commercial greenhouses without soil
(D) Exclusively planting all agricultural crops during the rainy seasonal monsoon period

75. Identify the crop that is NOT a major contributor to the agricultural export basket of Rajasthan.
(A) Guar gum
(B) Rubber
(C) Cumin (Jeera)
(D) Coriander

76. Consider the following statements regarding agricultural markets in Rajasthan:
I. Long distances to mandis act as a barrier to price realization for farmers in western Rajasthan.
II. e-NAM has been introduced to digitally integrate agricultural produce markets.
III. MSP procurement is legally mandatory for private traders purchasing directly from

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farmers.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

77. Which of the following crop-district pairs correctly matches a niche horticultural crop with its major producing district in Rajasthan?

(A) Oranges - Jhalawar
(B) Apples - Jaisalmer
(C) Pineapples - Churu
(D) Coconuts - Udaipur

78. Which of the following options represents the correct sequence of districts receiving major irrigation benefits from the Indira Gandhi Canal Project from North to South?

(A) Barmer, Jaisalmer, Bikaner, Hanumangarh
(B) Bikaner, Hanumangarh, Barmer, Jaisalmer
(C) Hanumangarh, Bikaner, Jaisalmer, Barmer
(D) Jaisalmer, Barmer, Hanumangarh, Bikaner

79. What distinguishes Rajasthan's position in the production of spices at the national level?

(A) It is a negligible producer of all spices
(B) It is the largest producer of black pepper and cardamom
(C) It only produces spices for domestic state consumption, with a ban on exports
(D) It is a leading producer of seed spices like cumin, coriander, and fenugreek

80. Read the given statements regarding agriculture in Rajasthan and select the correct option:

Assertion (A): Farmers in remote western Rajasthan often struggle with poor price realization for their agricultural produce.

Reason (R): High transportation costs due to long distances to regulated mandis reduce their net profit margins.

(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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ANSWERS

1. (B) Heavily dependent on arid and semi-arid dryland farming with significant monsoon reliance
Rajasthan features vast expanses of arid and semi-arid terrain, making dryland agriculture the dominant farming system across the state. A significant portion of the cultivated land depends entirely on seasonal monsoon rainfall. Due to limited perennial river networks and variable precipitation patterns, rainfed farming practices form the primary foundation of the rural agricultural economy.

2. (D) Sri Ganganagar and Hanumangarh
Sri Ganganagar and Hanumangarh located in northern Rajasthan lead the state in wheat production. This high productivity is primarily driven by extensive canal networks, including the Indira Gandhi Canal, Gang Canal, and Bhakra Canal systems. Assured surface water irrigation along with fertile alluvial plains enables intensive cereal cultivation and high crop yields in these northern districts.

3. (A) Wheat is a water-intensive Rabi crop heavily dependent on canal irrigation like the IGNP
Wheat is a temperate Rabi season cereal crop requiring regular irrigation and cool growth conditions. In western Rajasthan, extreme aridity and sandy soils naturally restrict high-water crops. Consequently, wheat cultivation remains localized strictly around artificial water infrastructure like the Indira Gandhi Canal Project, where reliable surface water supply compensates for low regional rainfall.

4. (C) Bajra
Bajra or pearl millet occupies the largest cultivated area among all Kharif season crops in Rajasthan. Its exceptional tolerance to drought, capability to thrive in sandy soils with minimal organic content, and low water requirement make it ideal for desert regions. Rajasthan contributes the major share of total national pearl millet acreage and annual production.

5. (A) It possesses high drought resilience and thrives in sandy soils with low moisture
Bajra exhibits high physiological resilience to severe moisture stress, high temperatures, and poor soil conditions. Its extensive root system allows deep moisture extraction, while low evapotranspiration helps survival during prolonged dry spells. These adaptive traits allow pearl millet to produce consistent yields in the sandy desert soils of western Rajasthan where other crops fail.

6. (D) It thrives best in the sandy soils of the Thar desert
Maize is a major Kharif crop suited to sub-humid and humid climatic zones featuring well-drained loamy soils. Southern Rajasthan, including Udaipur, Banswara, and Chittorgarh, serves as the main maize belt due to favorable soil and rainfall conditions. Conversely, sandy desert soils of the Thar region lack sufficient moisture retention and nutrients needed for successful maize cultivation.

7. (B) A major Rabi pulse crop
Gram, commonly known as Chana, is cultivated as a primary pulse crop during the Rabi season in Rajasthan. Sown in autumn and harvested in spring, it thrives under cool weather conditions with moderate moisture. It plays a significant role in rainfed farming systems across semi-arid districts, providing income and improving soil health through biological nitrogen fixation.

8. (C) Assertion (A) is true but Reason (R) is false.
Wheat production in Rajasthan is heavily concentrated in northern districts like Sri Ganganagar and Hanumangarh. However, this concentration is due to extensive canal networks such as the Indira Gandhi Canal, not high rainfall. In reality, these districts are located in semi-arid zones with low rainfall, making canal water crucial for sustaining water-intensive wheat cultivation.

9. (D) Jaipur and Sikar
Barley is an important Rabi cereal crop grown extensively in north-central and eastern Rajasthan, with Jaipur and Sikar being top

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yield seed variety of Mustard sown widely during the cold Rabi crop season.

30. (C) Pomegranate
Jalore and Barmer districts have experienced a successful horticultural expansion in high-density Pomegranate cultivation. Drought-tolerant varieties like Bhagwa thrive in arid conditions when supported by micro-irrigation systems. High temperature tolerance, combined with drip technology and efficient water management, has made pomegranate farming highly lucrative in these south-western arid belts.

31. (D) Bajra, Gram, Wheat, Sugarcane
Crops vary significantly in crop water requirements across their growth cycles. Bajra, a rainfed coarse millet, requires minimal moisture. Gram, a pulse crop, needs light seasonal irrigation. Wheat is a high-demand temperate cereal requiring multiple irrigation turns, while Sugarcane is a long-duration perennial crop with the highest cumulative water demand.

32. (C) A shift from drought-hardy subsistence crops to water-intensive commercial cash crops
The commissioning of the Indira Gandhi Canal Project brought surface water into arid western districts like Bikaner, Jaisalmer, and Sri Ganganagar. This transformation enabled a shift from traditional low-yield subsistence rainfed farming of millets and pulses toward high-value irrigated cash cropping including wheat, cotton, groundnut, and mustard crop varieties.

33. (B) The percentage of sown area planted with certified seeds instead of farm-saved seeds
Seed Replacement Rate represents the proportion of total cropped area sown with certified or quality seeds relative to farm-saved seeds preserved from previous harvests. A higher rate reflects regular adoption of certified hybrid and high-yielding seed varieties, which directly improves genetic potential, disease resistance, crop uniformity, and overall farm yield.

34. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Maize cultivation is heavily concentrated in southern districts like Banswara, Dungarpur, Udaipur, and Chittorgarh. The red loamy soil predominant across the southern Aravalli landscape exhibits excellent drainage, adequate organic matter, and moisture retention, providing ideal edaphic conditions for rainfed maize production in southern Rajasthan during the annual monsoon season.

35. (A) Commercial crops such as Guar, Medicinal plants, and Spices
Contract farming in Rajasthan has gained prominence for specialized high-value commercial crops including Guar, medicinal plants like Isabgol and Ashwagandha, and seed spices. Corporate buyers and processing firms enter into forward contracts with growers to ensure guaranteed quality standards, trace production streams, and establish reliable supply chains for domestic and export markets.

36. (C) Paramparagat Krishi Vikas Yojana (PKVY)
Paramparagat Krishi Vikas Yojana is a flagship central scheme promoting organic farming through cluster-based eco-friendly practices. In Rajasthan, PKVY supports groups of farmers by providing financial assistance, training, and certification support for adopting traditional organic methods, bio-inputs, and natural soil nutrient management, thereby improving long-term overall agricultural sustainability and crop marketability.

37. (A) Rajasthan leads India in the production of mustard, bajra, and guar
Rajasthan holds the top national ranking in the annual production of mustard, pearl millet (bajra), and cluster bean (guar). The state's dryland eco-system and seasonal winter climate favor coarse grains, oilseeds, and drought-tolerant legumes, enabling it to dominate Indian agricultural production tables for these specific major commercial and food crops.

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38. (D) Providing financial protection against crop losses from non-preventable natural risks
The Pradhan Mantri Fasal Bima Yojana offers comprehensive crop insurance coverage against unavoidable yield losses caused by natural calamities like drought, flood, dry spells, pests, and diseases. Farmers pay a minimal subsidized premium, while government subsidies cover the rest, stabilizing farm incomes and mitigating financial risks associated with adverse weather.

39. (C) I, II, and IV
Rajasthan produces over seventy percent of India's guar, with primary cultivation centered in Barmer, Jodhpur, and Bikaner districts.

making Rajasthan one of India's foremost producers of cumin seeds.

20. (C) Hadoti region (Kota, Baran, Jhalawar)
The Hadoti region, comprising Kota, Baran, Jhalawar, and Bundi, is widely recognized as the primary "spice bowl" for Coriander production. The region features rich black soil, favorable winter climate, and assured canal irrigation, leading to high yields and superior seed aromatic quality that dominates coriander trade within Rajasthan.

21. (A) Fenugreek (Methi)
Tausar village in Nagaur district is nationally famous for producing high-quality Kasuri Methi (dried fenugreek leaves). The distinct environmental conditions and traditional drying techniques employed in Tausar give its fenugreek a unique aroma, intense flavor, and vibrant green color, driving high market demand across India for culinary and medicinal applications.

22. (D) Eastern Rajasthan uses tube-wells and open wells, while western agriculture relies heavily on canal networks like IGNP
Irrigation practices differ significantly across Rajasthan due to hydrogeological variations. Eastern districts possess higher water tables and river basins, enabling heavy reliance on tube-wells and open wells. In contrast, western Rajasthan lacks shallow groundwater and perennial streams, forcing commercial farming in arid regions to depend heavily on large canal networks like the Indira Gandhi Canal.

23. (B) Cumin - Jaisalmer
While Jaisalmer produces some desert crops, the primary high-volume cumin production belt in Rajasthan centers around Jodhpur, Nagaur, Barmer, and Jalore districts. Kinnow is mainly grown in Sri Ganganagar, Pomegranate has seen notable growth in Barmer, and Coriander is leading in Jhalawar, making cumin pairing with Jaisalmer inaccurate relative to top producers.

24. (B) I, II, and IV
Rajasthan leads India in mustard production, concentrated in eastern and northern districts like Bharatpur, Alwar, and Sri Ganganagar. Mustard is a Rabi crop sown in winter, not Kharif, which makes statement III false. Additionally, extreme winter temperatures and frost present a significant physical risk to mustard crops during their flowering phase.

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25. (D) RAJFED
The Rajasthan State Cooperative Marketing Federation Ltd (RAJFED) operates as the primary state-level nodal agency for procuring oilseeds and pulses under the Price Support Scheme (PSS). Partnering with national bodies like NAFED, RAJFED implements Minimum Support Price operations to protect farmers across Rajasthan from market price fluctuations and distress sales.

26. (A) Erratic rainfall patterns and prolonged dry spells
Western Rajasthan suffers from extreme rainfall variability, characterized by low annual precipitation, late onset of monsoons, and extended dry spells during critical crop growth stages. This severe climatic unpredictability leads to recurring crop failures, low yields, and instability in agricultural production across rainfed farming belts in the vast Thar desert.

27. (B) Long distances to regulated mandis resulting in high transportation costs
Agricultural producers in remote western districts face significant logistical hurdles due to sparse population density and vast geographical distances to urban agricultural produce markets (mandis). The resulting high transportation expenditure and vulnerability to middleman exploitation during transport diminish farm-gate profits, representing a persistent market access challenge for remote desert farmers.

28. (B) Sri Ganganagar
Sri Ganganagar is renowned as the primary producer of the citrus fruit Kinnow in Rajasthan, earning it the moniker "California of Rajasthan." The district's canal irrigation system, combined with fertile alluvial soil and conducive sub-tropical winter climate, provides optimal growing conditions for high-yield, premium-quality citrus fruit orchards across the region.

29. (A) P-4, Q-1, R-2, S-3
Narma represents medium/long-staple American cotton. Mahi Kanchan is an improved high-yielding hybrid variety of Maize suited for southern Rajasthan. Raj 3077 is a popular rust-resistant high-yielding variety of Wheat. Varuna, also designated as T-59, is a prominent high-

CHAPTER 13
Agro-Based Industries of Rajasthan

1. Which of the following best defines an agro-based industry?
(A) An industry that manufactures agricultural machinery and fertilizers
(B) An industry that uses plant and animal-based agricultural output as its primary raw material
(C) An industry exclusively managed by agricultural cooperative societies
(D) An industry that extracts metallic minerals for farming equipment

2. In the context of agro-processing, which of the following is considered a secondary processing activity?
(A) Cleaning and grading of raw wheat
(B) Sorting and packing of fresh kinnow
(C) Sun-drying of freshly harvested coriander
(D) Milling of wheat into refined flour (Maida)

3. What is the primary socio-economic significance of promoting agro-based industries in Rajasthan?
(A) It reduces post-harvest losses and generates rural non-farm employment
(B) It shifts the entire rural population to urban metropolitan areas
(C) It eliminates the need for the agriculture sector entirely
(D) It replaces the mineral-based industries as the top revenue generator

4. Which district is widely recognized as the "Textile City" and the "Manchester of Rajasthan" due to its dense concentration of cotton textile and synthetic yarn industries?
(A) Pali
(B) Jodhpur
(C) Bhilwara
(D) Jaipur

5. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Bhilwara has emerged as the largest cotton textile manufacturing hub in Rajasthan.
Reason (R): Bhilwara district produces more than 80 percent of the raw cotton grown in India.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

6. The cotton textile dyeing and printing industry in the Pali region of Rajasthan has faced severe regulatory challenges primarily due to which of the following environmental concerns?
(A) Excessive atmospheric release of industrial greenhouse gases causing localized air pollution
(B) High-decibel noise pollution from heavy machinery affecting nearby wildlife sanctuaries
(C) Uncontrolled deforestation required to fuel dyeing boilers causing land degradation
(D) Discharge of untreated toxic chemical effluents into the Bandi river causing water pollution

7. Match List I with List II and select the correct answer using the codes given below:
List I: (Agro-based Industry)
P. Cotton Textile
Q. Mustard Oil
R. Sugar
S. Wool Processing
List II: (Key Processing Hub in Rajasthan)
1. Bharatpur
2. Bikaner
3. Bhilwara
4. Sri Ganganagar
(A) P-1, Q-3, R-2, S-4
(B) P-3, Q-1, R-4, S-2
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-2, R-3, S-1

8. Which region of Rajasthan is predominantly known for its mustard seed production and subsequent edible oil processing industries?
(A) The arid western district belt covering Jaisalmer and Barmer

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Contract farming is growing to supply export markets. Statement III is incorrect because guar is highly drought-tolerant and thrives on light monsoon rainfall without needing continuous canal irrigation or heavy water applications.

40. (C) Cotton
Cotton is cultivated as a commercial cash crop during the Kharif season in Rajasthan, sown between April and May and harvested through autumn. Wheat, mustard, and gram are cool-season Rabi crops sown in winter. Cotton requires warm temperatures, abundant sunlight, and regulated irrigation during growth, making it a key Kharif fiber crop.

41. (D) Cardamom
Cardamom is a high-altitude tropical spice requiring humid, cool rainforest microclimates found in the Western Ghats of South India. Rajasthan specializes in tropical and semi-arid seed spices such as cumin, coriander, and fenugreek. The hyper-arid and sub-humid zones of Rajasthan cannot support the eco-physiological needs of small or large cardamom crops.

42. (B) II and III only
Barley is a Rabi season crop sown in winter, making statement I incorrect. It requires significantly less water and tolerates soil salinity better than wheat. Barley possesses high commercial value in livestock feed formulations, malt production, and brewing industries, making it an important irrigated Rabi cereal across semi-arid districts in Rajasthan.

43. (B) Dry cool Rabi climate and well-drained sandy loam soils favor cumin growth
Cumin requires a dry, cool climate during its growth phase and warm weather at seed maturity. Western districts like Nagaur and Jodhpur provide well-drained, light sandy loam soils and clear, frost-free weather with negligible humidity during winter, which protects the sensitive seed spice from fungal diseases like powdery mildew and blight.

44. (B) Unified digital platform for trading agricultural commodities across mandis
The e-NAM portal connects regulated wholesale mandis across states onto a single digital trading platform. Farmers in Rajasthan can access real-time price discovery, online bidding, and transparent payment processing. By linking local agricultural markets nationally, e-NAM reduces intermediary dependency and enhances price realization for agricultural produce sold across participating markets.

45. (A) Mustard
Mustard is highly susceptible to severe cold waves and frost during its flowering and pod-formation stages in peak winter. Sub-zero temperatures cause cell rupture in sensitive floral parts, impairing seed development and resulting in significant yield reduction. Farmers in northern and eastern districts use light night irrigation or smoke burning to mitigate frost damage.

46. (C) Groundnut
Groundnut is cultivated primarily as a Kharif season oilseed crop, sown during the summer monsoon season. In contrast, wheat, gram, and mustard are all Rabi season crops sown in late autumn and harvested during early spring. Groundnut's growth cycle requires warm humid conditions, placing it in a different seasonal category.

47. (D) Introduction of cash crops like cotton, groundnut, and wheat in desert districts
The canal water provided by the Indira Gandhi Canal Project transformed western desert agriculture from traditional rainfed subsistence cropping into diversified commercial farming. Access to reliable surface water enabled farmers in arid districts to introduce high-value commercial cash crops such as American cotton, groundnut, mustard, and irrigated wheat into local cropping patterns.

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48. (C) P-3, Q-4, R-1, S-2
Kinnow production is centered in northern canal-irrigated tracks like Sri Ganganagar. Pomegranate cultivation has expanded rapidly in arid western districts like Barmer. Jhalawar is nationally recognized for citrus orange orchards in Hadoti. Isabgol (psyllium husk) is extensively produced in south-western drylands, with Jalore serving as a major production and marketing hub.

49. (B) Moong (Green Gram)
Green Gram or Moong is a major pulse crop cultivated during the Kharif season across semi-arid districts in Rajasthan. It exhibits short maturity duration, low moisture requirements,

and high drought tolerance, making it ideal for monsoonsal rainfed farming. Conversely, Gram, Masoor, and Peas are cultivated as Rabi pulse crops in winter.

50. (D) Gram (Chana)
Gram is a leguminous pulse crop that fixes atmospheric nitrogen through symbiotic Rhizobium bacteria present in its root nodules. Integrating gram into crop rotation systems enhances soil nitrogen levels, improves soil organic fertility, and reduces the necessity for synthetic chemical fertilizers, contributing to sustainable cropping systems across semi-arid tracts of Rajasthan.

51. (A) Desi is short-staple indigenous cotton, while Narma is medium/long-staple American cotton
Desi cotton represents indigenous short-staple varieties adapted to rainfed dryland conditions, yielding coarser fiber. In contrast, Narma denotes introduced American high-yielding cotton varieties featuring medium to long staples, higher fiber fineness, and superior commercial value, which require continuous assured irrigation in canal-fed northern districts like Sri Ganganagar and Hanumangarh districts.

52. (A) I, II, and III
Statements I, II, and III are factually correct, as Hadoti produces coriander, the Nagaur-Jodhpur belt yields cumin, and Nagaur is famous for fenugreek. Statement IV is incorrect because Rajasthan is actually India's leading producer of seed spices, utilizing its semi-arid dry climate to support high commercial production of multiple spice crops.

53. (A) Inadequate and variable water availability
Water scarcity serves as the major physical constraint limiting agricultural development in Rajasthan. Receiving minimal and highly erratic monsoon rainfall, over sixty percent of the geographical area consists of arid desert terrain. Depleting groundwater tables and insufficient surface irrigation infrastructure constrain crop yields and restrict multi-cropping capabilities across most farming regions.

54. (D) Wheat - Sri Ganganagar
Sri Ganganagar is the top wheat-producing district in Rajasthan, benefiting from canal irrigation systems like the Gang Canal and IGNP. In contrast, maize is centered in southern districts like Udaipur and Chittorgarh, groundnut is prominent in Bikaner, and cotton is concentrated in northern irrigated districts, making Sri Ganganagar and wheat the correct match.

55. (B) Protects farmers from price volatility via pre-agreed buyer prices
Contract farming shields commercial crop farmers from seasonal market price fluctuations by guaranteeing a fixed pre-harvest purchase price. Agronomic technical guidance and quality input support provided by contracting firms further reduce risk. This market assurance stabilizes grower incomes, helping farmers invest with greater security in specialized commercial crop cultivation schemes.

56. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Bikaner district has registered a marked increase in commercial crop production including groundnut and mustard. This agricultural expansion was facilitated by the Indira Gandhi Canal Project, which supplied assured surface water to desert soils. Canal water replaced uncertain rainfed farming, enabling farmers to cultivate high-value oilseeds across previously hyper-arid tracts.

57. (D) Drip and micro-sprinkler irrigation
In arid regions like Jalore and Barmer, drip and micro-sprinkler irrigation systems are deployed in pomegranate orchards to optimize water efficiency. Drip irrigation delivers water directly to plant roots, minimizing evaporation loss, runoff, and weed growth. This micro-irrigation technology enables high crop yields and conserves precious local groundwater reserves effectively.

58. (A) Commission for Agricultural Costs and Prices (CACP)
The Commission for Agricultural Costs and Prices, an attached office of the Ministry of Agriculture and Farmers Welfare, recommends Minimum Support Prices for mandated crops. CACP evaluates factors such as cultivation costs, input price changes, market supply and demand dynamics, and inter-crop price parity before sending recommendations to the central government.

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59. (B) Jaisalmer, Jodhpur, Jaipur, Dausa
Arranging major Guar-producing districts from west to east follows Rajasthan's geographical landscape. Jaisalmer lies on the far western border, Jodhpur sits in the central-western desert belt, Jaipur is situated in the north-central plains, and Dausa is positioned further east. This spatial sequence spans from hyper-arid western desert to eastern plains.

60. (B) Spontaneous mutation into cash crops
Low Seed Replacement Rate and relying on saved seeds lead to yield deterioration, pest susceptibility, and uneven crop maturity. Seeds cannot spontaneously mutate into entirely different commercial cash crop species. Genetic mutation is a complex process unaffected by saved seed practices, making spontaneous crop transformation biologically impossible in farm fields.

61. (C) I and III only
The Indira Gandhi Canal Project enabled cash crop cultivation like wheat and cotton across western districts, validating statements I and III. Statement II is false because intensive canal irrigation in flat arid areas created secondary issues, including waterlogging and soil salinity known locally as the Seem problem, rather than eliminating them.

62. (C) Cotton
Cotton is a long-duration commercial crop requiring a long warm growing season with approximately 210 frost-free days. Frost causes severe damage to vegetative growth, flower buds, and boll development. Cultivation in northern Rajasthan is thus restricted to irrigated regions with suitable thermal windows to avoid early winter frost damage risks.

63. (D) Churu
Maize is grown primarily in the sub-humid southern districts of Rajasthan like Banswara, Chittorgarh, Udaipur, and Bhilwara, where red loamy soil and higher seasonal rainfall favor its growth. Churu, situated in the arid Shekhawati desert region, features sandy soil and low precipitation, making it unsuited for traditional maize crop farming.

64. (C) Long transportation distances to major regulated markets
Farmers in remote border districts face significant challenges due to long travel distances to central regulated mandis. Transportation costs are high, and lack of nearby storage facilities leaves growers vulnerable to local traders and distress sales. Long distances diminish net profits and hinder access to competitive price bidding systems in major markets.

65. (A) 3, 1, 4, 2
The chronological sequence of agronomic operations begins with field preparation (3) prior to the monsoon rains. Sowing (1) takes place with the arrival of early rains. Weeding (4) and intercultural operations follow during crop growth to control unwanted plant competition. Harvesting (2) occurs at crop maturity, completing the seasonal production cycle.

66. (D) It requires water-logged conditions to germinate
Gram is a Rabi crop that requires well-drained loamy to sandy soils with moderate moisture. Water-logged conditions damage root systems, cause seedling rot, and inhibit plant germination and growth. Rajasthan is a major producer of gram, with Bikaner and Churu generating significant yields under dryland and light supplemental irrigation farming practices.

67. (A) Irrigated summer crops grown between Rabi and Kharif
Zaid refers to the short summer agricultural season occurring between the winter Rabi harvest and the summer Kharif sowing, typically from March to June. Zaid cropping relies on artificial irrigation and includes short-duration crops such as watermelons, muskmelons, cucumbers, fodder crops, and vegetables cultivated along riverbeds and irrigated farm tracts.

68. (C) Alwar
Alwar district in north-eastern Rajasthan relies heavily on groundwater tubewell irrigation for commercial farming. Rich alluvial deposits and shallow alluvial aquifers enable widespread installation of tube-wells. Farmers utilize intensive groundwater pumping to cultivate high-yield Rabi commercial crops such as mustard and wheat, achieving high productivity levels relative to rainfed districts.

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69. (A) P-2, Q-1, R-4, S-3
Seed Replacement Rate measures the percentage of certified quality seeds used instead of saved farm seeds. Contract farming involves pre-agreed contract prices and guaranteed buyer agreements. Organic farming uses natural inputs excluding synthetic chemicals. Minimum Support Price serves as a government-announced price floor for agricultural procurement to protect grower returns.

70. (D) Cotton
Cotton requires regular irrigation, long warm growing periods, and fertile soils, flourishing as a commercial crop in northern canal-fed regions like Sri Ganganagar and Hanumangarh. In contrast, un-irrigated parts of the Thar desert lack sufficient moisture for cotton, where rainfed drought-tolerant crops like Bajra, Guar, and Moth bean dominate instead.

71. (B) Black loamy soil and suitable rainfall provide favorable conditions
The Hadoti region, encompassing Kota, Baran, Jhalawar, and Bundi, features fertile deep black loamy soils with good moisture retention and adequate winter climate. These environmental conditions, combined with irrigation infrastructure, provide an optimal ecosystem for growing coriander, resulting in superior seed yield, high essential oil content, and regional commercial dominance.

72. (B) I, III, and IV
Gram is a major Rabi pulse crop in Rajasthan that fixes nitrogen and thrives in districts like Bikaner, Churu, and Hanumangarh, confirming statements I, III, and IV. Statement II is false because gram is a drought-tolerant crop requiring limited water; excessive or frequent irrigation causes vegetative growth at the expense of yield.

73. (D) Waterlogging and soil salinity (Seem problem)
Over-irrigation, poor subsurface drainage, and unlined canals in the IGNP command area have led to rise in water tables, causing waterlogging and soil salinization known locally as the "Seem problem." Accumulation of soluble salts on topsoil renders extensive agricultural fields infertile, posing a major ecological challenge in northern Rajasthan regions.

74. (A) Phase out chemicals using vermicompost and bio-pesticides over a transition period
Transitioning to organic farming requires a systematic conversion period during which synthetic chemical fertilizers and pesticides are phased out. Soil health is rebuilt using organic inputs like vermicompost, farmyard manure, bio-fertilizers, and botanical pesticides. This phased transition restores natural bio-agents, improves soil microbial activity, and earns organic crop certification over time.

75. (B) Rubber
Natural rubber is an equatorial plantation crop requiring high rainfall, humid conditions, and tropical temperatures typically found in Kerala and North-East India. Rajasthan's semi-arid to arid climate is unsuitable for commercial rubber plantation. Conversely, guar gum, cumin, and coriander represent major agricultural commodities exported extensively from Rajasthan to international markets.

76. (A) I and II only
Statement I accurately describes transport constraints in western Rajasthan, while statement II correctly highlights e-NAM as a digital market integration platform. Statement III is false because Minimum Support Price procurement is a government price support system; private traders in open market yards are not legally bound to buy produce at MSP levels.

77. (A) Oranges - Jhalawar
Jhalawar district in south-eastern Rajasthan is famous for citrus orange production, earning it the title "Nagpur of Rajasthan." Sub-tropical climate, deep black soil, and irrigation from local water projects foster thriving citrus orchards. Conversely, apples, pineapples, and coconuts require temperate, high-humidity, or coastal ecosystems completely absent in Rajasthan state.

78. (C) Hanumangarh, Bikaner, Jaisalmer, Barmer
The Indira Gandhi Canal enters northern Rajasthan at Hanumangarh and flows southward through the Thar desert. Traversing from north to south, the canal main line and branches irrigate Hanumangarh first, followed by Bikaner in the central west, continuing through Jaisalmer, and terminating in the southern desert district of Barmer district.

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79. (D) It is a leading producer of seed spices like cumin, coriander, and fenugreek
Rajasthan holds a prominent position in India for seed spice production, contributing a major share of national output for cumin, coriander, fenugreek, and fennel. Semi-arid climatic conditions, well-drained soils, and distinct regional production clusters in Hadoti and Marwar create ideal agro-ecological environments for high-quality, aromatic seed spice cultivation nationwide.

80. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Farmers in remote western districts of Rajasthan struggle with poor price realization for harvested crops. Vast geographical distances to regulated agricultural mandis lead to high transportation expenses. These logistical overheads, combined with limited local storage infrastructure, reduce growers' net profit margins and force dependency on local private commission agents.

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producing districts. Barley requires less water than wheat and tolerates saline or alkaline soil conditions well. Farmers in these semi-arid regions utilize well and tube-well irrigation to cultivate barley for food, feed, and malting industries.

10. (A) 1, 2, 3, 4
Mustard cultivation in Rajasthan is predominantly concentrated in the eastern and north-eastern plains. Bharatpur is a leading producer within the prime mustard belt, followed by central districts like Tonk. Southern and south-western hilly districts such as Udaipur and Dungarpur feature less suited topography and climate, resulting in significantly lower mustard output compared to northern and eastern plains.

11. (A) First
Rajasthan holds the premier position in India for mustard and rapeseed production, consistently contributing over forty percent of the country's total output. The state's favorable winter climatic conditions, suited light loam soils, and expanding tubewell irrigation in eastern and northern districts support high acreage and yield, establishing Rajasthan as India's leading mustard hub.

12. (B) Cotton
Narma refers to medium and long-staple American cotton varieties cultivated extensively in northern Rajasthan, especially in Sri Ganganagar and Hanumangarh. Supported by canal irrigation from the IGNP and Gang Canal, Narma forms a major commercial cash crop in these districts, offering high yield and superior fiber quality compared to indigenous short-staple varieties.

13. (A) P-2, Q-1, R-4, S-3
Mustard is extensively grown in eastern plains like Bharatpur. Coriander thrives in the Hadoti region, with Baran being a primary hub. Maize is a prominent food crop in southern tribal districts such as Banswara. Cumin production is centered in western and central arid belts including Jodhpur, forming distinct regional specialization across Rajasthan.

14. (C) Lunkaransar
Lunkaransar, situated in Bikaner district, is widely referred to as the "Rajkot of Rajasthan" due to its large-scale groundnut production and trade. Following the expansion of canal irrigation via the Indira Gandhi Canal, this sandy desert belt developed into a major oilseed hub, comparing favorably with Rajkot in Gujarat in yield and quality.

15. (D) Nagaur
In addition to Bikaner district, Nagaur stands out as a major producer of groundnut in Rajasthan. Grown predominantly as a Kharif oilseed crop, groundnut cultivation in Nagaur benefits from expanding tube-well irrigation and favorable light, well-drained sandy loam soils that encourage healthy pod development and higher overall crop production.

16. (C) Guar (Cluster bean)
Rajasthan enjoys a near-monopoly in India for Guar production, contributing over eighty percent of total national output. As a drought-hardy legume requiring minimal water, cluster bean flourishes in the arid western districts. The global industrial demand for guar gum derived from its seeds makes it an extremely valuable export crop for the state.

17. (B) Guar gum used in commercial food processing and hydraulic fracturing
The primary commercial importance of Guar stems from the high galactomannan content in its endosperm, processed to manufacture guar gum. Guar gum acts as an effective natural thickener and stabilizer. It is extensively utilized in industries globally, especially food processing, textiles, paper manufacturing, and hydraulic fracturing in shale oil extraction.

18. (C) I and III only
Pearl millet, known as Bajra, is the major Kharif foodgrain in Rajasthan by area. It is uniquely adapted to dry arid climates, requiring minimal moisture and thriving in sandy desert soils. However, statement II is incorrect because Bajra cannot tolerate waterlogging or heavy irrigation, preferring dry conditions with intermittent light rains.

19. (A) Jodhpur, Nagaur, and Barmer
Western and central Rajasthan, particularly Jodhpur, Nagaur, and Barmer districts, forms the major Cumin (Jeera) belt of the state. The dry weather, cool winter environment, and sandy loam soil characteristic of these areas during the Rabi season create ideal growing conditions,

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(B) The southern tribal belt covering Banswara and Dungarpur
(C) The eastern districts covering Bharatpur, Alwar, and Dholpur
(D) The central district belt covering Ajmer, Tonk, and Rajsamand

9. What gives Bharatpur a distinct advantage in the mustard processing industry?
(A) It receives the state's highest annual rainfall, ensuring continuous year-round mustard cultivation.
(B) It benefits from major deep-sea port terminals enabling direct bulk export of processed mustard oil.
(C) It relies heavily on large-scale imported mustard seed consignments from neighboring countries.
(D) It hosts the ICAR-Rapeseed-Mustard Research Directorate and abundant raw material supply.

10. Consider the following statements regarding the Edible Oil industry in Rajasthan:
I. Rajasthan is one of the leading producers of mustard oil in India.
II. The industry is characterized as a "weight-gaining" industry, heavily dependent on distant markets.
III. Most edible oil processing units in the state are located close to the raw material producing areas.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II and III

11. Where was the first sugar mill in Rajasthan, "The Mewar Sugar Mills Ltd.", established in 1932?
(A) Keshoraipatan
(B) Bhopalsagar
(C) Sri Ganganagar
(D) Suratgarh

12. Apart from sugarcane, which alternative raw material has been historically processed by the Rajasthan State Ganganagar Sugar Mills for sugar production?
(A) Sweet Sorghum
(B) Sugar Beet
(C) Palm Sap
(D) Sweet Corn

13. Which of the following statements is INCORRECT regarding the sugar industry in Rajasthan?
(A) Rajasthan exports the majority of its domestically produced sugar to European countries.
(B) It is highly limited compared to states like Uttar Pradesh and Maharashtra.
(C) The industry relies primarily on sugarcane, which is a water-intensive crop.
(D) The sugar mills in the state are mostly concentrated in the irrigated regions or historical princely estates.

14. What is the apex body responsible for implementing dairy development programmes under the cooperative movement in Rajasthan?
(A) Rajasthan State Agricultural Marketing Board
(B) Rajasthan State Agro Industries Corporation
(C) Rajasthan Cooperative Dairy Federation (RCDF)
(D) National Dairy Development Board Rajasthan Chapter

15. Consider the following statements regarding the dairy processing industry in Rajasthan:
I. It operates on a three-tier cooperative structure known as the Anand pattern.
II. The primary milk producers' cooperative societies operate at the village level.
III. The district milk producers' cooperative unions handle processing and procurement at the district level.
IV. The sector solely processes milk and prohibits the manufacturing of value-added products like ghee and cheese.
Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) I, II, III, and IV

16. Under which brand name does the Rajasthan Cooperative Dairy Federation (RCDF) market its processed milk and milk products?
(A) Amul
(B) Sudha
(C) Saras
(D) Payas

17. Identify the odd one out based on the nature of the industry:
(A) Cotton Ginning Operations

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ANSWERS

1. (B) An industry that uses plant and animal-based agricultural output as its primary raw material
Agro-based industries rely directly on agricultural produce from plants and animals as primary raw materials to process end products. These units transform raw cultivated crops, livestock yields, and related biological outputs into refined commercial goods. Examples include cotton textiles, sugar milling, vegetable oil extraction, and dairy processing, contributing significantly to rural economic development.

2. (D) Milling of wheat into refined flour (Maida)
Secondary processing involves converting primary agricultural products into value-added items through complex mechanical or chemical transformations. Milling cleaned wheat grains into refined flour alters the physical state and creates an entirely new product for consumption. Simple activities like cleaning, grading, sorting, and drying represent primary processing, as they merely prepare raw agricultural commodities without changing their basic structural properties.

3. (A) It reduces post-harvest losses and generates rural non-farm employment
Promoting agro-based industries in Rajasthan addresses critical socio-economic challenges by establishing localized processing facilities near crop production centres. This infrastructure prevents post-harvest spoilage of perishable agricultural output through timely processing and cold storage integration. Furthermore, establishing processing units in rural areas creates sustainable non-farm employment opportunities, diversification of household income, higher remuneration for local farming communities, and reduced distress migration.

4. (C) Bhilwara
Bhilwara is recognized as the primary textile hub of Rajasthan, earning titles such as Textile City and Manchester of Rajasthan. The district hosts an extensive cluster of spinning mills, weaving establishments, synthetic yarn units, and suitings manufacturing plants. Industrial policies, access to raw material, skilled labor, and processing infrastructure have made Bhilwara the state's dominant textile leader.

5. (C) Assertion (A) is true but Reason (R) is false.
Bhilwara is indeed the largest cotton and synthetic textile manufacturing hub in Rajasthan due to its huge cluster of processing mills and weaving units. However, Bhilwara does not produce eighty percent of India's raw cotton. Major raw cotton production in India is concentrated across states like Gujarat, Maharashtra, and Telangana, as well as northern Rajasthan districts like Hanumangarh and Ganganagar.

6. (D) Discharge of untreated toxic chemical effluents into the Bandi river causing water pollution
The traditional cotton dyeing and printing units in Pali generate massive industrial wastewater containing synthetic dyes and hazardous chemicals. Discharge of untreated toxic effluent into the local Bandi river has contaminated surface water, degraded surrounding farmlands, and polluted groundwater, triggering strict environmental oversight, regulatory mandates, and compulsory requirements for operational Common Effluent Treatment Plants.

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7. (B) P-3, Q-1, R-4, S-2
In Rajasthan, major agro-processing activities are tied to regional agricultural outputs. Bhilwara serves as the major hub for cotton textiles. Bharatpur leads in mustard oil extraction due to extensive mustard cultivation in the eastern plains. Sri Ganganagar features historical sugar milling operations utilizing irrigated sugarcane crops. Bikaner functions as a premier centre for wool processing and carpet yarn manufacturing.

8. (C) The eastern districts covering Bharatpur, Alwar, and Dholpur
The eastern plain region of Rajasthan, encompassing districts such as Bharatpur, Alwar, Dholpur, and Sawai Madhopur, possesses fertile alluvial soils and suitable climatic conditions for mustard seed cultivation. Consequently, this belt produces a massive proportion of the state's total oilseed yield, fostering a dense concentration of

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Processing Industries (MoFPI) scheme, located in Rajasthan?
(A) Boranada (Jodhpur)
(B) Roopangarh (Ajmer)
(C) Sitapura (Jaipur)
(D) Bhiwadi (Alwar)

28. Consider the following statements regarding the Mega Food Park Scheme in Rajasthan:
I. It aims to provide a mechanism to link agricultural production to the market by bringing together farmers, processors, and retailers.
II. It operates on a "hub and spoke" model comprising Collection Centres, Primary Processing Centres, and a Central Processing Centre.
III. It completely prohibits the participation of private sector enterprises in food processing.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II and III

29. The concept of a Mega Food Park is fundamentally designed to minimize which of the following?
(A) Post-harvest agricultural crop losses
(B) Total industrial manufacturing exports
(C) Opportunities for rural employment
(D) Overall shelf life of fresh commodities

30. Which city in Rajasthan is recognized as having Asia's largest wool market (Mandi)?
(A) Jaisalmer
(B) Churu
(C) Bikaner
(D) Sikar

31. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Bikaner has a highly developed woollen yarn and carpet weaving industry.
Reason (R): The region is characterized by a high population of wool-producing sheep breeds and acts as a central collection node for raw wool from western Rajasthan.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

32. Where is the headquarters of the Central Wool Development Board (CWDB) situated in Rajasthan?
(A) Jaipur
(B) Udaipur
(C) Jodhpur
(D) Ajmer

33. Identify the INCORRECT statement concerning the wool-based industry in Rajasthan.
(A) Rajasthan continuously contributes a major share to the total annual raw wool production of India.
(B) All raw wool produced in Rajasthan is consumed locally with zero interstate trade.
(C) A vast proportion of Rajasthan wool is coarse quality, ideal for carpet manufacturing units.
(D) The wool sector generates critical sustainable livelihood and employment for rural pastoralists.

34. Based on Weber's theory of industrial location, why are sugar mills in Rajasthan (e.g., in Sri Ganganagar) located in close proximity to sugarcane producing fields?
(A) Sugarcane is a weight-gaining raw material during processing
(B) Sugar as a finished product requires immediate freezing
(C) Sugarcane farmers refuse to transport their produce beyond village borders
(D) Sugarcane is a weight-losing and perishable raw material

35. Consider the following factors influencing the location of agro-based industries in Rajasthan:
I. Proximity to raw material sources.
II. Availability of continuous power supply.
III. Access to deep seaport infrastructure within the state's borders.
IV. Development of cold chain and storage facilities.
Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only I, II, and IV
(C) Only II, III, and IV
(D) I, II, III, and IV

36. Which of the following best explains why cotton ginning and pressing units are heavily localized in the cotton-growing tracts like Hanumangarh and Ganganagar, while large textile dyeing units are in Bhilwara or Pali?
(A) Ginning operations strictly depend on

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massive fresh river water reserves exclusively available in Hanumangarh.
(B) Textile dyeing processes use extremely perishable organic dyes that decay within hours unless processed immediately.
(C) Ginning is weight-losing and raw-material tied, while dyeing depends on capital, water, and skilled labor.
(D) Strict administrative state regulations legally compel all textile dyeing units to operate in southern Rajasthan.

37. What is the full form of the state policy "RIPS" which provides substantial incentives to the agro-processing sector?
(A) Rajasthan Investment Promotion Scheme
(B) Rajasthan Industrial Production Scheme
(C) Rajasthan Incentive for Processing Subsidies
(D) Rural Investment and Procurement System

38. Consider the following benefits typically offered to agro-processing units under the Rajasthan Investment Promotion Scheme (RIPS):
I. 100% Exemption from payment of Electricity Duty for a specified period.
II. 100% Exemption from payment of Mandi Fee for a specified period.
III. Provision of free agricultural land anywhere in the state.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

39. Which of the following accurately describes the primary objective of providing government incentives to agro-industries in Rajasthan?
(A) To discourage private ownership in the agriculture sector
(B) To promote value addition, attract investment, and increase farmers' income
(C) To strictly divert all agricultural produce away from food consumption to industrial biofuel
(D) To eliminate the traditional Krishi Upaj Mandi Samitis

40. Which of the following is NOT a major challenge faced by the cold storage infrastructure in Rajasthan?
(A) Substantial initial capital investment requirements for purchasing advanced refrigeration machinery
(B) Frequent power outages and erratic electricity distribution networks across remote rural belts
(C) Naturally freezing ambient weather that removes any need for artificial cooling units
(D) Unusually high daily operational expense and continuous equipment maintenance overheads

41. Consider the following statements:
Statement I: A robust cold chain infrastructure is critical for the survival of the fruit and vegetable processing industry.
Statement II: Cold storage accelerates the ripening process, ensuring fruits perish faster to clear market inventory.
Select the correct response:
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

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42. Select the correct logical sequence of steps in a standard cold chain logistics system for horticulture produce:
(A) Cold Storage → Retail Distribution → Pre-cooling → Harvesting
(B) Harvesting → Pre-cooling → Cold Storage → Refrigerated Transport → Retail
(C) Retail → Refrigerated Transport → Cold Storage → Pre-cooling → Harvesting
(D) Pre-cooling → Harvesting → Retail → Refrigerated Transport → Cold Storage

43. The Jhalawar district is heavily targeted by the state government for setting up processing units for which specific fruit crop?
(A) Apple
(B) Mandarin Orange
(C) Pineapple
(D) Grapes

44. Match List I with List II and select the correct answer using the codes given below:
List I: (Fruit)
P. Kinnow
Q. Orange
R. Guava
S. Pomegranate
List II: (Major Producing/Processing Region in

Rajasthan)

1. Sawai Madhopur
2. Barmer/Jalore
3. Sri Ganganagar
4. Jhalawar

(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-2, R-3, S-4

45. What is the most appropriate reason for the historically slow growth of the fruit and vegetable processing sector in Rajasthan compared to the cereals and pulses processing sector?
(A) Inadequate cold storage, high produce perishability, and arid climatic conditions.
(B) Horticultural crops contain natural systemic toxins rendering them unfit for industrial food processing.
(C) Strict regulatory state laws legally prohibiting commercial fruit and vegetable processing facilities.
(D) Processing operations for staple cereals and pulses demand far higher water volume than fresh fruits.

46. The large-scale cattle feed manufacturing plants in Rajasthan, managed cooperatively, are directly operated by which entity to support dairy farmers?
(A) Rajasthan State Industrial Development and Investment Corporation (RIICO)
(B) Rajasthan State Road Transport Corporation (RSRTC)
(C) Rajasthan Cooperative Dairy Federation (RCDF)
(D) Bureau of Investment Promotion (BIP)

47. Which of the following correctly identifies a common process in the fodder-based agro-industry aimed at improving transportability and shelf life of animal feed?
(A) Large-scale microbial fermentation of dry agricultural straw into fuel ethanol
(B) Chemical dyeing of dried fodder grass to enhance its visual market appeal
(C) Industrial extraction of volatile essential oils from field wheat stubble
(D) Mechanical baling and compaction of dry crop fodder into dense pellets

48. Consider the following statements regarding the cattle feed and fodder industry in Rajasthan:
I. It is intrinsically linked to Rajasthan's large livestock population.
II. Processed cattle feed ensures a nutritionally balanced diet for dairy animals, improving milk yield.
III. Fodder banks and processing units help mitigate the effects of frequent droughts.
IV. The industry relies exclusively on imported raw materials from coastal states.
Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) I, II, III, and IV

49. In the context of rural economy, what specific type of employment do agro-processing units like dal mills, oil mills, and cotton ginning factories primarily generate?
(A) Primary farm employment
(B) Rural non-farm employment
(C) Urban IT-sector employment
(D) Heavy metallurgical employment

50. Which of the following is NOT typically cited as a major operational challenge for small and medium agro-based industries in Rajasthan?
(A) Frequent interruptions and exorbitantly high tariff rates for industrial electricity supply
(B) Severe administrative difficulties in securing low-interest, institutional working capital loans
(C) Inadequate road infrastructure and weak logistical freight connectivity across distant rural areas
(D) An excess local supply of cheap, highly skilled robotics engineers and automation experts

51. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): Small-scale agro-processing units often face severe working capital shortages.
Reason (R): The procurement season for agricultural raw materials is short, requiring units to make bulk purchases and store raw materials year-round.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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52. Identify the odd one out from the following list of major export-oriented processed items from Rajasthan:
(A) Refined guar gum split powder and derived industrial mucilage
(B) Value-added ground spice blends including cumin and coriander
(C) Processed dimensional stone like finished marble and granite
(D) Hand-knotted traditional woollen carpets and woven rugs

53. In which year was the Rajasthan State Agro Industries Corporation (RSAIC) established to promote agricultural mechanization and agro-industries in the state?
(A) 1956
(B) 1969
(C) 1980
(D) 1991

54. What has been a primary traditional role of the Rajasthan State Agro Industries Corporation?
(A) Regulating equities trading and stock market transactions across state financial exchanges.
(B) Conducting administrative civil service competitive recruitment examinations for state departments.
(C) Overseeing and managing municipal water supply distribution infrastructure in major cities.
(D) Distributing farm machinery and offering custom hiring equipment services to local farmers.

55. Arrange the standard stages of sugar production in a typical sugar mill in the correct logical sequence:
1. Centrifugation (Separating sugar crystals from molasses)
2. Crushing of Sugarcane to extract juice
3. Grading and Packaging
4. Clarification and Evaporation of juice to form syrup
5. Crystallization (Boiling syrup to form crystals)

Select the correct code:
(A) 2 - 4 - 5 - 1 - 3
(B) 2 - 5 - 4 - 1 - 3
(C) 4 - 2 - 5 - 1 - 3
(D) 2 - 1 - 4 - 5 - 3

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56. Which processed agro-product from Rajasthan has highly lucrative export potential primarily due to its medicinal properties and use as a dietary fiber?
(A) Enriched Refined Wheat Flour
(B) Long-Staple Raw Cotton Fiber
(C) Isabgol (Psyllium Husk) Seed
(D) Fine Processed Refined Sugar

57. Which of the following pairings of an agro-industrial processing cluster and its primary output is correct?
(A) Ramganj Mandi (Kota) - Guar gum processing
(B) Bikaner - Cotton ginning
(C) Hanumangarh - Orange processing
(D) Abu Road (Sirohi) - Isabgol processing

58. Consider the following statements regarding the export of Guar Gum from Rajasthan:
I. It is heavily exported to North America and Europe.
II. Its export volume is highly sensitive to fluctuations in the global petroleum and fracking industry.
III. Rajasthan accounts for less than 10% of India's total guar production, limiting its export capacity.

Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

59. Match List I with List II and select the correct answer using the codes given below:
List I: (Agro-industry Type)
P. Textiles
Q. Dairy
R. Edible Oil
S. Sugar
List II: (Primary Raw Material Source)
1. Sugarcane/Sugar beet
2. Mustard/Soybean seeds
3. Cotton lint
4. Raw milk
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-4, R-2, S-3

60. To promote localized processing, the government emphasizes "Agro-processing Clusters". What is the core definition of such a cluster?

(A) A massive, vertically integrated industrial processing facility owned by a multinational corporation
(B) A geographic hub of linked agro-businesses, suppliers, and supporting institutions
(C) A seasonal, temporary trade market setup exclusively during regional village agricultural fairs
(D) A specialized municipal administrative government office managing direct agricultural tax collection

61. Which of the following is an INCORRECT pair regarding the primary agro-industrial raw material and its major producing district in Rajasthan?
(A) Sugarcane - Jaisalmer District
(B) Commercial Soybean - Baran District
(C) Quality Groundnut - Bikaner Region
(D) Yellow Mustard - Alwar Belt Region

62. What is the best example of "value addition" in the context of agricultural produce?
(A) Storing raw wheat in a warehouse for three years
(B) Transporting raw tomatoes directly from a farm to a local vegetable vendor
(C) Converting fresh tomatoes into packaged ketchup and puree
(D) Plowing crop residue back into the soil

63. What is the primary function of Krishi Upaj Mandi Samitis (KUMS) in relation to agro-based industries?
(A) They directly manufacture and distribute heavy power machinery to commercial farming cooperatives.
(B) They function as specialized state banking institutions extending long-term loans to corporations.
(C) They strictly control and enforce price caps on all retail processed food products in urban markets.
(D) They provide regulated market yards for direct, auction-based raw material procurement.

64. Under the regulatory framework in Rajasthan, how are the market fees (Mandi Tax) collected by Krishi Upaj Mandi Samitis primarily utilized?
(A) Transferred completely to national defense funds and central military expenditure accounts.
(B) Distributed directly as seasonal cash profit dividends among registered private commission agents.
(C) Reinvested in mandi infrastructure, farmer amenities, and connecting rural roads.
(D) Allocated exclusively for paying annual basic salary packages of academic agricultural scientists.

65. Select the correct general sequence of the institutional supply chain for agricultural commodities moving from a farm to a processing unit in a regulated system:
(A) Processor → Farmer → Commission Agent → KUMS Yard
(B) Farmer → KUMS Yard → Commission Agent (Arhatiya) → Agro-Processor
(C) Commission Agent → Processor → Farmer → KUMS Yard
(D) KUMS Yard → Processor → Commission Agent → Farmer

66. The concept of "Spice Parks" has been introduced in Rajasthan to provide common processing facilities. Where are the two major Spice Parks established in the state?
(A) Jaipur and Udaipur cities
(B) Bikaner and Jaisalmer regions
(C) Alwar and Bharatpur zones
(D) Jodhpur and Kota districts

67. Consider the following benefits of adopting a cluster development approach for agro-industries:
I. Development of shared infrastructure like testing labs and effluent treatment plants.
II. Achievement of economies of scale.
III. Enhanced bargaining power for procurement and marketing.
IV. Increased isolation and zero interaction between individual processing units.
Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) I, II, III, and IV

68. Which statement correctly identifies a major trend in Rajasthan's agricultural sector policy?
(A) Enforcing a strict strategy focused exclusively on exporting raw, unprocessed bulk crop produce.
(B) Enacting a total ban prohibiting all interstate transport and export of agricultural commodities.
(C) Shifting from raw material exports to local

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(B) Portland Cement Industry
(C) Sugar Milling Operations
(D) Guar Gum Processing Units

18. Which district in Rajasthan has developed into a globally recognized hub for guar gum processing?
(A) Banswara
(B) Bharatpur
(C) Pratapgarh
(D) Jodhpur

19. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R).
Assertion (A): The guar gum processing industry in Rajasthan is highly export-oriented.
Reason (R): Guar gum powder has extensive industrial applications, particularly as a thickening agent in the global shale gas and oil fracking industry.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

20. Which of the following properties makes guar gum a high-value processed agro-product in industrial applications?
(A) High natural flammability allowing it to serve as a clean alternative fuel to industrial coal
(B) Potent chemical toxicity making it an exceptionally effective bio-pesticide for crop protection
(C) Functioning as a highly effective binding and thickening agent in aqueous systems
(D) Ability to rapidly dissolve in organic oils without altering their natural fluid viscosity

21. Which town in the Nagaur district is famous as a major trading and processing centre for Jeera (Cumin)?
(A) Merta City
(B) Makrana
(C) Ladnun
(D) Didwana

22. Consider the following statements:
Statement I: Rajasthan and Gujarat together account for the majority of India's cumin (Jeera) production.
Statement II: The establishment of spice processing units requires very high humidity and continuous monsoon conditions year-round.
Select the correct response:
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

23. Which of the following spices is NOT traditionally grown and processed in the arid and semi-arid agro-climatic zones of Rajasthan?
(A) Cumin (Jeera)
(B) Black Pepper (Kali Mirch)
(C) Coriander (Dhaniya)
(D) Fenugreek (Methi)

24. Ramganj Mandi, located in the Kota district, is internationally renowned as a major processing and trading hub for which spice?
(A) Turmeric
(B) Red Chilli
(C) Coriander
(D) Cardamom

25. Match List I with List II and select the correct answer using the codes given below:
List I: (Spice Processing Hub)
P. Ramganj Mandi (Kota)
Q. Merta (Nagaur)
R. Mathania (Jodhpur)
S. Chhabra (Baran)
List II: (Associated Spice)
1. Red Chilli
2. Garlic
3. Coriander
4. Cumin (Jeera)
(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-3, Q-4, R-1, S-2

26. Which of the following is an INCORRECT pair regarding the location of agro-based industries in Rajasthan?
(A) Apple Cider Processing - Jaisalmer
(B) Isabgol Processing - Jalore
(C) Kinnow Processing - Sri Ganganagar
(D) Soybean Processing - Kota

27. Where is the Greentech Mega Food Park, established under the Ministry of Food

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Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy?
(A) Establishing a modern, high-capacity commercial pulse dal milling facility
(B) Manufacturing artificial synthetic fibres like nylon
(C) Constructing specialized cold storage infrastructure for fresh kinnow citrus fruit
(D) Operating an integrated pack-house facility for mechanical sorting and grading of cumin

77. Which nodal agency is primarily responsible for the execution and disbursement of subsidies under the Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy 2019?
(A) Rajasthan State Agricultural Marketing Board
(B) Rajasthan State Police Housing Corporation Ltd.
(C) Rajasthan Tourism Development Corporation Board
(D) State Department of Mines and Geology Directorate

78. To integrate agricultural markets and allow agro-processing units to procure raw materials transparently from across the country, which electronic trading portal has been adopted by mandis in Rajasthan?
(A) E-Choupal
(B) E-Mitra
(C) E-NAM (National Agriculture Market)
(D) E-Procure

79. Consider the following statements:
Statement I: Food processing has been declared a priority sector in Rajasthan's industrial policy framework.
Statement II: The state has abundant raw materials but historically lacked proportional processing infrastructure, leading to the priority status.
Select the correct response:
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

80. What is the most appropriate overarching goal of promoting agro-based industries in Rajasthan?
(A) To systematically transition rural agricultural workers directly into urban service sector employment.
(B) To legally nationalize all private agricultural landholdings under centralized state government control.
(C) To double farmer incomes, lower crop losses, and expand rural industry.
(D) To shift state dependency toward importing all processed packaged food from neighboring Indian states.

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secondary processing and value addition.
(D) Implementation of comprehensive land acquisition policies substituting farming with heavy industry.

69. In an agro-processing context, which of the following clearly differentiates "primary processing" from "secondary processing"?
(A) Primary processing cleans and sorts produce, while secondary processing transforms it into a new product.
(B) Primary processing alters molecular chemical structures, whereas secondary processing simply changes physical freight location.
(C) Primary processing relies entirely on mechanical machinery, whereas secondary processing is performed exclusively by manual labor.
(D) Both terms are legally and operationally synonymous across industrial sector guidelines and government documentation.

70. Consider the following statements:
Statement I: Encouraging secondary value addition in agriculture significantly increases the gross state domestic product (GSDP).
Statement II: Processed agricultural products generally command higher prices and have longer shelf lives in domestic and international markets.
Select the correct response:
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

71. Arrange the following steps of the cotton textile value chain in the correct sequential order from raw material to finished product:
1. Spinning (Yarn making)
2. Garmenting (Stitching apparel)
3. Ginning (Separating lint from seed)
4. Weaving / Knitting (Fabric making)
5. Dyeing and Printing

Select the correct code:
(A) 3 - 1 - 4 - 5 - 2
(B) 1 - 3 - 4 - 5 - 2
(C) 3 - 4 - 1 - 2 - 5
(D) 4 - 3 - 1 - 5 - 2

72. In which year did the Government of Rajasthan launch the comprehensive "Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy" to provide a major push to the sector?
(A) 2010
(B) 2015
(C) 2019
(D) 2023

73. A key feature of the Rajasthan Agro-processing Policy (2019) is that it provides capital investment subsidies. How does the policy differentiate between applicants?
(A) It provides capital subsidies exclusively to large multinational corporations while explicitly excluding individual farmers.
(B) It mandates that industrial applicants must be registered outside Rajasthan state boundaries to qualify for state subsidies.
(C) It applies a standardized, flat subsidy rate of 10% to all registered business applicants, regardless of operational background.
(D) It offers higher capital subsidies to local farmers, FPOs, and state natives than to external applicants.

74. Which of the following is considered a priority sector for special incentives under the state's recent agro-processing policies?
(A) Processing of coarse grains (Millets) and forest produce
(B) Large-scale manufacturing of synthetic textile fabrics
(C) Commercial extraction and refining of crude petroleum
(D) Assembly of imported commercial consumer electronics

75. A graduate entrepreneur wants to set up a tomato ketchup manufacturing unit. According to industrial location principles, where is the most economically viable location for this unit?
(A) In remote desert zones where raw land acquisition costs are minimal
(B) Near tomato farming clusters with strong transport links
(C) At high-altitude mountain locations to exploit ambient cooling
(D) Directly adjacent to heavy industrial coal mining operations

76. Which of the following activities would explicitly NOT be eligible for incentives under the

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mustard oil extraction mills, solvent extraction plants, and edible oil processing units.

9. (D) It hosts the ICAR-Rapeseed-Mustard Research Directorate and abundant raw material supply.
Bharatpur enjoys a strategic industrial advantage in mustard processing because it is located in the core mustard-growing belt of eastern Rajasthan, ensuring a steady supply of raw seeds. Additionally, it hosts the ICAR-Directorate of Rapeseed-Mustard Research, which drives technological innovation, crop yield enhancement, disease management, and improved oil extraction techniques, supporting localized processing units.

10. (B) Only I and III
Rajasthan is a leading producer of mustard seed and edible oil in India. Oilseeds are a weight-losing raw material during processing, making the edible oil industry heavily raw-material-oriented rather than market-oriented or weight-gaining. Consequently, processing mills are established close to raw material source areas like Bharatpur and Alwar to minimize transport costs of heavy bulk seeds.

11. (B) Bhopalsagar
The Mewar Sugar Mills Ltd. was established in 1932 at Bhopalsagar in the Chittorgarh district, marking the inception of the sugar industry in Rajasthan. Set up as a private venture during the princely state era, it utilized locally grown sugarcane. Its establishment highlighted early efforts to process commercial cash crops within southern Rajasthan's canal and tank-irrigated agricultural regions.

12. (B) Sugar Beet
The Rajasthan State Ganganagar Sugar Mills introduced an innovative dual-processing model by utilizing sugar beet alongside conventional sugarcane. During the late 1960s, specialized processing machinery was installed to extract sugar from sugar beet, extending the factory operational milling season beyond the limited sugarcane harvest window in the canal-irrigated north-western agricultural zone of Sri Ganganagar.

13. (A) Rajasthan exports the majority of its domestically produced sugar to European countries.
The sugar industry in Rajasthan is relatively small due to water constraints and limited sugarcane acreage compared to heavy sugar-producing states like Uttar Pradesh and Maharashtra. Domestically produced sugar in Rajasthan primarily caters to local state demand and is not exported in large quantities to European nations. Sugarcane remains a water-intensive crop mostly confined to specific canal-irrigated zones.

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14. (C) Rajasthan Cooperative Dairy Federation (RCDF)
The Rajasthan Cooperative Dairy Federation, established in 1977, acts as the apex cooperative organization overseeing dairy development activities across the state. RCDF executes policies, coordinates district milk unions, provides technical guidance, oversees processing infrastructure, and markets milk products to promote sustainable livelihoods for rural dairy farmers under the structured three-tier cooperative framework.

15. (A) Only I, II, and III
The dairy sector in Rajasthan follows the Anand three-tier cooperative pattern, comprising Primary Dairy Cooperative Societies at the village level, District Milk Unions at the district level, and the Rajasthan Cooperative Dairy Federation at the state level. Besides handling fresh liquid milk, these cooperative institutions actively manufacture diverse value-added milk products, including ghee, butter, paneer, and powdered milk.

16. (C) Saras
The Rajasthan Cooperative Dairy Federation markets its complete range of pasteurized liquid milk and processed dairy commodities under the popular brand name Saras. Saras is a household brand across urban and rural Rajasthan, signifying quality assurance in dairy products, including butter, clarified butter, curd, paneer, and flavored milk, processed through cooperative district milk plants.

17. (B) Portland Cement Industry
Cotton ginning, sugar milling, and guar gum processing are classified as agro-based industries because they utilize biological crop yields and farm outputs as primary raw materials.

CHAPTER 14
Mineral Based Industries of Rajasthan

1. Which of the following districts in Rajasthan has emerged as a major hub for the cement industry primarily due to the abundant availability of contiguous limestone deposits?
(A) Jaisalmer
(B) Chittorgarh
(C) Barmer
(D) Dausa

2. Kishangarh in Rajasthan is internationally recognized for which of the following mineral-based processing industries?
(A) Ceramic manufacturing
(B) Zinc smelting
(C) Copper refining
(D) Marble cutting and processing

3. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The Chanderiya Lead-Zinc Smelter complex was established in the Chittorgarh district.
Reason (R): Chittorgarh offers strategic proximity to the captive mines of Rampura Agucha and ensures reliable power and water supply.
In the context of the above two statements, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

4. Match List I with List II and select the correct answer using the codes given below:
List I: (Mineral-based Industry)
P. Granite Processing
Q. Red Sandstone Processing
R. Ball Clay based Ceramics
S. Copper Smelting
List II: (Primary District of Concentration)
1. Dholpur
2. Bikaner
3. Jalore
4. Jhunjhunu
(A) P-1, Q-3, R-2, S-4
(B) P-3, Q-2, R-1, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-1, R-3, S-4

5. Which of the following raw materials is NOT required for the glass manufacturing units situated in districts like Dholpur and Alwar?
(A) Bauxite
(B) Silica sand
(C) Soda ash
(D) Limestone

6. Consider the following statements regarding the Khetri Copper Complex (KCC):
I. It is an integrated copper mining and smelting complex located in the Jhunjhunu district.
II. Sulphuric acid is produced as a major byproduct during the smelting of copper ore at this complex.
III. The complex relies entirely on imported copper concentrates and has no captive mines in Rajasthan.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

7. What is the primary function of gypsum in the manufacturing process of Portland cement in Rajasthan's cement plants?
(A) To provide structural strength to the final concrete mix
(B) To retard the setting time of the cement
(C) To act as a flux for reducing the melting temperature of clinker
(D) To impart a lighter color to the cement

8. The agglomeration of marble processing units in Kishangarh has led to significant industry benefits. Which of the following best describes an "agglomeration economy" in this context?
(A) The strategic restriction of raw material

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is concentrated in the southeastern soybean belt near Kota.

27. (B) Roopangarh (Ajmer)
Greentech Mega Food Park, the first mega food park approved under the Mega Food Park Scheme of the Ministry of Food Processing Industries in Rajasthan, is located at Roopangarh in Ajmer district. It provides integrated infrastructure including cold chain logistics, central processing facilities, quality control laboratories, and primary collection centers to support agro-processors across central Rajasthan.

28. (A) Only I and II
The Mega Food Park Scheme links farm production with retail markets using a hub-and-spoke architecture comprising collection centres, primary processing units, and a central processing park. Private sector enterprise participation is actively encouraged under private or public-private partnership models to attract capital investments, technology transfer, and modern management practices into the agro-processing sector.

29. (A) Post-harvest agricultural crop losses
The core structural objective of establishing a Mega Food Park is to minimize severe post-harvest losses of agricultural and horticultural commodities. By establishing direct linkages between farm gate collection centres, refrigerated transit, primary processing, and centralized cold storage, these parks reduce spoilage, preserve crop quality, extend product shelf life, and add commercial value to harvested produce.

30. (C) Bikaner
Bikaner is recognized for housing Asia's largest raw wool market (Wool Mandi). Western Rajasthan supports high pastoral sheep farming due to suited arid climate and hardy native breeds like Magra and Chokla. Bikaner serves as the main trading and processing hub where raw fleeces collected from pastoralists across Rajasthan and neighbouring states are auctioned and graded.

31. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Bikaner has developed a prominent woollen yarn processing and carpet weaving industry because the surrounding arid zone supports vast sheep populations. Breeds like Magra, Nali, and Chokla yield coarse carpet-grade wool. As Bikaner operates as the central collection point for raw wool in western Rajasthan, processing mills benefit from direct proximity to abundant raw fiber supplies.

32. (C) Jodhpur
The Central Wool Development Board, an autonomous body functioning under the Union Ministry of Textiles, is headquartered in Jodhpur, Rajasthan. Established to promote wool industrial growth, CWDB formulates policies, implements wool processing schemes, undertakes sheep breed improvement initiatives, and provides technical and financial support to wool processors, weavers, and pastoral sheep rearers nationwide.

33. (B) All raw wool produced in Rajasthan is consumed locally with zero interstate trade.
Rajasthan is a leading raw wool producing state in India, known for producing medium to coarse wool suitable for manufacturing rugs, carpets, and blankets. However, raw wool produced in Rajasthan is not consumed exclusively within state borders; a major portion is traded across state lines to carpet-weaving centers in Uttar Pradesh, Punjab, Haryana, and other processing regions.

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34. (D) Sugarcane is a weight-losing and perishable raw material
According to Alfred Weber's location theory, sugar milling is a weight-losing industry. Harvested sugarcane is bulky, heavy, and rapidly loses sucrose content through invert sugar conversion within hours of harvesting. Transporting raw cane over long distances significantly inflates transit costs while reducing sugar recovery efficiency, compelling sugar mills to locate in close proximity to sugarcane farming fields.

35. (B) Only I, II, and IV
Establishing agro-based industries in Rajasthan depends on direct access to raw material sources, uninterrupted electrical power supply for machinery operations, and modern cold chain facilities for preserving perishable farm outputs. As Rajasthan is an inland state, direct deep seaport infrastructure within its geographical borders does not exist; industrial units rely on inland container depots and connected port railways.

Conversely, the Portland cement industry is a mineral-based heavy industry that relies on non-renewable geological minerals like limestone, gypsum, and clay extracted from mines rather than agricultural harvests.

18. (D) Jodhpur
Jodhpur has developed into the principal global hub for guar seed processing and guar gum derivative manufacturing. The district hosts numerous processing plants that transform locally grown guar seed split into refined industrial-grade powder. Strategic presence of machinery, export logistics, and high density of arid crop cultivation in surrounding western districts support Jodhpur's global market leadership.

19. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Rajasthan's guar gum industry is highly export-oriented, with most processed output shipped overseas. This high foreign demand is driven by guar gum's unique hydrocolloidal properties, making it an essential thickener and viscosity modifier in hydraulic fracturing for shale gas and oil extraction globally. Consequently, global petroleum market activity directly influences guar exports from Rajasthan.

20. (C) Functioning as a highly effective binding and thickening agent in aqueous systems
Guar gum is extracted from the endosperm of guar seeds and possesses exceptional water-binding, emulsifying, and thickening capacity even at low concentration levels in aqueous solutions. These rheological properties make it invaluable across diverse industrial applications, including food processing, pharmaceutical formulations, textile printing, paper manufacturing, and hydraulic fluid thickening in oilwell drilling operations.

21. (A) Merta City
Merta City in Nagaur district is famous across India as a prominent commercial trading and primary processing hub for cumin (Jeera). The local Krishi Upaj Mandi at Merta City handles massive arrivals of high-quality cumin harvested across western and central Rajasthan, facilitating transparent auctioning, cleaning, grading, sorting, and wholesale spice trading operations.

22. (C) Statement I is correct but Statement II is incorrect.
Rajasthan and Gujarat dominate Indian cumin production, jointly contributing over eighty percent of total national output. However, spice processing does not require high ambient humidity or continuous monsoon conditions; on the contrary, cumin and other seed spices require dry climate, warm sunny weather, and low moisture environments during harvesting and post-harvest drying to prevent fungal contamination.

23. (B) Black Pepper (Kali Mirch)
Black pepper requires tropical, hot, highly humid equatorial climatic conditions with abundant annual rainfall and specific soil profiles found mostly in southern coastal states like Kerala and Karnataka. Arid and semi-arid agro-climatic zones of Rajasthan are climatically unsuited for black pepper cultivation, whereas seed spices like cumin, coriander, and fenugreek thrive in the state's dry climate.

24. (C) Coriander
Ramganj Mandi, situated in the Kota district of Rajasthan, is internationally renowned as Asia's largest trading and processing yard for coriander (Dhaniya). The southeastern Hadoti region produces abundant coriander due to rich black cotton soils and canal irrigation, making Ramganj Mandi the central hub for commercial drying, cleaning, grading, processing, and exporting coriander.

25. (D) P-3, Q-4, R-1, S-2
Rajasthan features distinct regional spice processing clusters based on localized crop cultivation. Ramganj Mandi in Kota serves as a global coriander processing hub. Merta in Nagaur specializes in cumin trading. Mathania in Jodhpur is renowned for its specific pungent red chillies, while Chhabra in Baran district acts as a major garlic processing and trading market.

26. (A) Apple Cider Processing - Jaisalmer
Commercial apple production requires temperate hill climates and cold winter chilling hours, making desert districts like Jaisalmer unviable for apple orchards or cider processing. Conversely, Isabgol processing thrives in Jalore, Kinnow citrus sorting and processing is centered in Sri Ganganagar, and soybean oil and feed processing

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Barmer and Jalore have established high-density commercial pomegranate cultivation and sorting hubs.

45. (A) Inadequate cold storage, high produce perishability, and arid climatic conditions.
Fruit and vegetable processing grew slower than grain and pulse milling in Rajasthan due to the extreme perishability of horticultural produce, ambient high desert temperatures, short post-harvest shelf life, and inadequate rural cold chain infrastructure. Cereals and pulses have lower moisture levels and store safely without immediate refrigeration, facilitating faster industrial mill development.

46. (C) Rajasthan Cooperative Dairy Federation (RCDF)
Large-scale cattle feed manufacturing plants in Rajasthan are operated directly under the governance of the Rajasthan Cooperative Dairy Federation. RCDF manages feed production units to manufacture balanced compound cattle feed, mineral mixtures, and nutritional feed pellets, supplying high-quality feed through district cooperative unions to dairy farmers to improve cattle health and milk yields.

47. (D) Mechanical baling and compaction of dry crop fodder into dense pellets
Mechanical baling and compaction process loose dry crop fodder and agricultural stubble into dense fodder blocks or compressed feed pellets. This mechanical treatment significantly reduces the volume of bulky fodder, improving fuel efficiency during long-distance transportation, protecting feed against weather damage, increasing storage shelf life, and ensuring easy distribution to drought-prone livestock regions.

48. (A) Only I, II, and III
The cattle feed and fodder industry in Rajasthan is linked to its large livestock population, providing balanced nutrition to enhance dairy productivity while supporting fodder banks during recurring arid droughts. The industry does not rely exclusively on imported raw materials from coastal states, as it extensively utilizes local crop residues, coarse grains, oilcakes, and dry fodder.

49. (B) Rural non-farm employment
Agro-processing facilities such as pulse mills, edible oil expellers, and cotton ginning factories generate rural non-farm employment. While raw cultivation constitutes primary farm work, localized processing units employ local labor in manufacturing, machine operation, packaging, logistics, and quality maintenance outside direct field farming, diversifying rural income sources and checking urban distress migration.

50. (D) An excess local supply of cheap, highly skilled robotics engineers and automation experts
Small and medium agro-based industries in Rajasthan confront operational hurdles such as erratic power supply, high electrical tariffs, difficult access to low-interest working capital, and inadequate rural road connectivity. An excess local supply of cheap, highly skilled robotics engineers is not an existing operational challenge, as rural processing units primarily utilize conventional machinery and semi-skilled manual labor.

51. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Small agro-processing units frequently face severe working capital shortages due to the seasonal nature of agricultural harvesting. Raw crops are harvested within brief seasonal windows, requiring processors to make immediate large-scale raw material purchases and store inventory for year-round processing operations. This seasonal bulk purchasing ties up substantial liquidity, creating working capital deficits for small entrepreneurs.

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52. (C) Processed dimensional stone like finished marble and granite
Refined guar gum splits, value-added packaged spice blends, and hand-knotted woollen carpets represent major export items originating from Rajasthan's agricultural and pastoral sectors. In contrast, processed dimensional stone such as finished marble, granite, and sandstone is a non-agricultural product derived from mineral mining and quarrying activities rather than agro-processing industries.

53. (B) 1969
The Rajasthan State Agro Industries Corporation was established in 1969 under the Companies Act to promote comprehensive modernization across the state's agricultural sector. RSAIC was founded to accelerate farm mechanization, distribute agricultural machinery, provide custom hiring equipment services, facilitate post-harvest

processing, and support small farmers with essential agricultural inputs across Rajasthan.

54. (D) Distributing farm machinery and offering custom hiring equipment services to local farmers.
A primary traditional role of the Rajasthan State Agro Industries Corporation has been promoting farm mechanization by distributing tractors, implements, and agricultural tools to farming communities. RSAIC established custom hiring centers to allow small and marginal farmers to hire modern machinery at affordable rates, enhancing land productivity and operational efficiency in agricultural operations.

55. (A) 2 - 4 - 5 - 1 - 3
Sugar manufacturing follows a standardized technical sequence. Sugarcane is crushed in heavy roller mills to extract raw juice. The juice undergoes clarification and evaporation to form concentrated syrup. The syrup is boiled during crystallization to yield sugar crystals embedded in molasses. Centrifugation separates sugar crystals, which are subsequently dried, graded, and packaged.

56. (C) Isabgol (Psyllium Husk) Seed
Isabgol, or Psyllium husk, processed from crop seeds harvested in western Rajasthan districts like Jalore, Barmer, and Nagaur, commands lucrative global export potential. Recognized worldwide for its exceptionally high soluble dietary fiber content, unique mucilaginous properties, and digestive therapeutic benefits, processed Isabgol husk is extensively exported for pharmaceutical, nutraceutical, and dietary applications.

57. (D) Abu Road (Sirohi) - Isabgol processing
Abu Road in Sirohi district functions as a specialized processing and milling center for Isabgol (Psyllium), processing seeds cultivated in surrounding southern and western districts. In contrast, Ramganj Mandi is renowned for coriander, Bikaner leads in wool processing rather than ginning, and Hanumangarh is a primary cotton ginning region rather than an orange processing area.

58. (A) Only I and II
Guar gum is heavily exported from Rajasthan to North America and Europe, where demand fluctuates according to global oil drilling and hydraulic fracturing activity. Rajasthan is not a minor producer; it produces over seventy percent of India's total guar production, making the state the global market leader in guar seed cultivation and guar gum exports.

59. (B) P-3, Q-4, R-2, S-1
Major agro-based industries depend directly on specific raw material inputs. Textile industries rely on cotton lint for spinning and weaving yarn. Dairy processing utilizes raw liquid milk from cows and buffaloes. Edible oil extraction processes mustard and soybean oilseeds, whereas sugar production relies on sugarcane and sugar beet as primary agricultural inputs.

60. (B) A geographic hub of linked agro-businesses, suppliers, and supporting institutions
An agro-processing cluster is defined as a geographically localized concentration of interconnected agro-businesses, raw material processors, inputs suppliers, service providers, and supporting institutions. Operating in close spatial proximity enables access to shared infrastructure, streamlined crop aggregation, optimized supply chain logistics, joint technology adaptation, and reduced production overheads through shared economies of scale.

61. (A) Sugarcane - Jaisalmer District
Sugarcane requires high water volume, fertile soils, and consistent irrigation, making arid desert districts like Jaisalmer unsuitable for sugarcane production. In contrast, Baran is a leading commercial producer of soybean, Bikaner produces high volumes of quality groundnut, and the eastern plain belt of Alwar is a major producer of yellow mustard.

62. (C) Converting fresh tomatoes into packaged ketchup and puree
Value addition involves processing raw agricultural output into a modified, higher-value end product that increases shelf life, usability, and market value. Transforming raw, perishable tomatoes into processed ketchup or puree represents classic value addition, as chemical and physical transformation enhances economic return, prevents spoilage, and serves consumer segments beyond raw fresh crop markets.

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63. (D) They provide regulated market yards for direct, auction-based raw material procurement.
Krishi Upaj Mandi Samitis manage regulated agricultural market yards, offering standardized commercial platforms where farmers sell harvested commodities to registered traders and agro-processors. KUMS infrastructure ensures transparent open auctions, accurate electronic weighing, fair pricing mechanisms, regulated market fees, and secure payments, facilitating streamlined raw material procurement for agro-based processing industries.

64. (C) Reinvested in mandi infrastructure, farmer amenities, and connecting rural roads.
Market fees collected by Krishi Upaj Mandi Samitis are statutorily reinvested to upgrade agricultural marketing infrastructure. Funds are utilized to construct covered auction platforms, modern storage godowns, electronic weighing bridges, and farmer rest houses, as well as developing rural link roads (mandi connecting roads) to ensure seamless transport of crops from villages to processing markets.

65. (B) Farmer → KUMS Yard → Commission Agent (Arhatiya) → Agro-Processor
In the regulated agricultural market system, the supply chain initiates at the farm gate. Farmers bring harvested crops to Krishi Upaj Mandi Samiti yards. Authorized commission agents (Arhatiyas) facilitate open transparent bidding and handling. Licensed agro-processors bid at public auctions, procure bulk raw materials, and transport them to processing plants.

66. (D) Jodhpur and Kota districts
Specialized Spice Parks have been established in Jodhpur and Kota districts by the Spices Board of India in coordination with the state government. The Jodhpur Spice Park focuses on seed spices like cumin and coriander processing, while the Kota Spice Park caters to coriander and garlic processing, providing common infrastructure, steam sterilization, cleaning, and testing facilities.

67. (A) Only I, II, and III
Cluster development in agro-based industries fosters collective growth by enabling access to shared infrastructure like effluent treatment plants and testing laboratories, lowering operational overheads, achieving economies of scale, and boosting bargaining power in bulk raw material procurement and product marketing. It encourages enterprise networking rather than complete isolation among member processing units.

68. (C) Shifting from raw material exports to local secondary processing and value addition.
A primary shift in Rajasthan's agricultural policy framework is transitioning away from selling raw, unprocessed agricultural commodities to developing localized secondary processing and value addition infrastructure. By encouraging local industrial milling, cold chain preservation, and export-grade packaging, the state retains economic value internally, increases farmer price realizations, and generates extensive rural employment.

69. (A) Primary processing cleans and sorts produce, while secondary processing transforms it into a new product.
Primary processing involves basic post-harvest handling tasks such as cleaning, grading, de-husking, and sorting that prepare raw produce for market distribution without altering its fundamental physical structure. Secondary processing involves structural transformation through milling, extraction, chemical treatment, or cooking, converting primary agricultural commodities into distinct value-added consumer products like flour, oil, or juice.

70. (A) Both Statement I and Statement II are correct.
Secondary value addition in agriculture transforms raw farm produce into higher-value processed consumer goods, generating greater revenue streams and significantly boosting Gross State Domestic Product. Processed food items command higher market prices, benefit from longer shelf lives through preservation techniques, reduce physical spoilage, and penetrate domestic as well as international export markets effectively.

71. (A) 3 - 1 - 4 - 5 - 2
The cotton textile manufacturing chain begins with cotton ginning to separate raw lint from seeds. The cleaned lint undergoes spinning to convert raw fibers into continuous cotton yarn. Yarn is then woven or knitted into unbleached grey fabric. The fabric undergoes chemical dyeing and printing for coloring, and finally enters garmenting for stitching into finished apparel.

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72. (C) 2019
The Government of Rajasthan promulgated the landmark Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy in December 2019. The policy was designed to foster capital investments, accelerate cluster development, upgrade supply chain infrastructure, promote high-value crop exports, increase farm household incomes, and generate employment opportunities across the state's rural agro-industrial landscape.

73. (D) It offers higher capital subsidies to local farmers, FPOs, and state natives than to external applicants.
The Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy 2019 prioritizes local agricultural producers and native entrepreneurs by providing differential capital subsidy rates. Individual farmers, Farmer Producer Organizations (FPOs), and resident entrepreneurs of Rajasthan receive higher percentages of capital investment subsidies compared to non-farmer or external corporate applicants, ensuring direct empowerment of rural agrarian communities.

74. (A) Processing of coarse grains (Millets) and forest produce
State agro-processing policies emphasize priority sectors like coarse grains (millets such as bajra and jowar) and non-timber minor forest produce. Given Rajasthan's leading position in millet production and extensive drylands, special financial incentives, capital subsidies, and marketing support are granted to processing enterprises handling millet value addition, millet products, and minor forest produce.

75. (B) Near tomato farming clusters with strong transport links
Tomatoes are highly perishable, weight-losing raw materials subject to rapid transit damage and spoilage. In accordance with industrial location economics, establishing a tomato ketchup manufacturing unit near major tomato cultivation clusters reduces transport costs, minimizes raw crop damage, ensures fresh raw material intake, and optimizes operational efficiency when connected with reliable freight transportation networks.

76. (B) Manufacturing artificial synthetic fibres like nylon
State agro-processing policies focus on enterprises that utilize agricultural crops, livestock products, or biological land yields as primary raw materials. Manufacturing artificial synthetic fibers like nylon relies on petrochemical derivatives and synthetic polymer chemical processing, placing it outside the scope of agro-processing policy incentives, which focus on pulse milling, fruit preservation, and spice packing.

77. (A) Rajasthan State Agricultural Marketing Board
The Rajasthan State Agricultural Marketing Board operates as the nodal execution agency for implementing the Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy 2019. RSAMB processes applications, verifies capital investments, facilitates infrastructure clearances, oversees subsidy disbursements, and implements government incentive schemes to promote agricultural infrastructure and processing development across the state.

78. (C) E-NAM (National Agriculture Market)
Mandis across Rajasthan have been integrated into e-NAM, the National Agriculture Market pan-India electronic trading network platform. e-NAM connects agricultural produce markets digitally, enabling transparent online bidding, national market access for farmers, streamlined price discovery, and direct raw material procurement for agro-processing enterprises without regional geographic restrictions or transaction bottlenecks.

79. (A) Both Statement I and Statement II are correct.
Food processing has been declared a priority sector within Rajasthan's industrial framework. Although Rajasthan produces vast quantities of oilseeds, spices, milk, and coarse grains, it historically lacked proportionate secondary processing units and cold storage infrastructure. Consequently, prioritizing this sector aims to overcome structural deficits, reduce crop post-harvest losses, and accelerate industrial value addition.

80. (C) To double farmer incomes, lower crop losses, and expand rural industry.
The overarching goal of promoting agro-based industries in Rajasthan is to drive comprehensive

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rural economic growth. Establishing localized processing facilities reduces post-harvest crop losses, expands rural non-farm industrial employment, attracts private capital investments, and enhances raw agricultural market valuations, thereby significantly increasing farm household incomes and promoting sustainable regional development.

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36. (C) Ginning is weight-losing and raw-material tied, while dyeing depends on capital, water, and skilled labor.
Cotton ginning separates heavy seed from raw seed cotton (kapas), making it a weight-losing primary activity located near cotton fields to save transit expenses. In contrast, textile processing like dyeing and printing is secondary manufacturing that requires chemical infrastructure, capital investment, skilled workforce, and processing water, causing concentration in industrial towns like Bhilwara, Pali, and Balotra.

37. (A) Rajasthan Investment Promotion Scheme
RIPS stands for the Rajasthan Investment Promotion Scheme, an flagship economic initiative implemented by the state government. RIPS provides financial incentives, tax exemptions, interest subsidies, stamp duty concessions, and power tariff exemptions to incoming industrial investments, with specific focused provisions tailored to encourage agro-processing, food preservation, and rural enterprise expansion across Rajasthan.

38. (A) Only I and II
Under the Rajasthan Investment Promotion Scheme, agro-processing units receive substantial fiscal relief, including exemptions from electricity duty and market fees (Mandi Fee) for specified operational durations. However, the policy does not grant free agricultural land anywhere in the state; land acquisition must follow standard allotment procedures through state industrial infrastructure corporations or private purchases.

39. (B) To promote value addition, attract investment, and increase farmers' income
Government incentives for agro-industries in Rajasthan aim to catalyze private capital investments, promote secondary and tertiary crop value addition, and minimize post-harvest agricultural losses. Transforming raw agricultural output into high-value packaged goods within local processing hubs elevates market returns for farm produce, boosts rural non-farm employment, and directly increases farm household incomes.

40. (C) Naturally freezing ambient weather that removes any need for artificial cooling units
Rajasthan possesses an arid to semi-arid tropical climate characterized by hot summers and moderate winters, making naturally freezing ambient weather non-existent. Consequently, artificial refrigeration infrastructure is essential year-round. Cold storage operations in Rajasthan face severe operational challenges, including high initial capital expenditure, continuous power fluctuations, elevated electricity costs, and regular mechanical maintenance overheads in high-temperature zones.

41. (C) Statement I is correct but Statement II is incorrect.
Cold chain infrastructure is vital for fresh horticultural produce because controlled temperature storage reduces metabolic respiration rates, suppresses microbial growth, and slows natural deterioration, thereby extending product shelf life. Conversely, cold storage does not accelerate fruit ripening to clear inventory fast; cold temperatures actively retard ripening to preserve fresh produce quality during storage and transit.

42. (B) Harvesting → Pre-cooling → Cold Storage → Refrigerated Transport → Retail
In cold chain management, harvested horticultural produce undergoes rapid pre-cooling at field collection centres to remove field heat immediately. Produce is then transferred to specialized cold storage rooms to maintain low temperatures. Afterwards, refrigerated transport vehicles move commodities under temperature control to regional distribution centers before reaching consumer retail outlets, maintaining an unbroken cold chain.

43. (B) Mandarin Orange
Jhalawar district in southeastern Rajasthan features unique humid sub-tropical climatic conditions and fertile soils suitable for mandarin orange cultivation. Due to its massive orange yields, Jhalawar is known as the Nagpur of Rajasthan. The state government targets Jhalawar for establishing modern citrus sorting, grading, juice extraction, and pulp processing facilities.

44. (B) P-3, Q-4, R-1, S-2
Commercial fruit crop processing in Rajasthan aligns with geographical production zones. Sri Ganganagar dominates Kinnow citrus fruit production and packing. Jhalawar leads in mandarin orange cultivation. Sawai Madhopur is celebrated for guava orchards and guava processing, while arid southwestern districts like

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exports to promote regional monopolies and control output
(B) The regulatory enforcement of uniform baseline pricing and strict production quotas by all regional industrial units
(C) The reduction in production costs from shared local infrastructure, specialized labor, and supplier networks
(D) The statutory mandate requiring the processing of all quarried state marble exclusively within Kishangarh town limits

9. Select the correct logical sequence representing the value chain of the dimensional stone industry (such as marble and granite) in Rajasthan.
(A) Block Quarrying - Slab Cutting - Edge Polishing - Value-added Designing - Export
(B) Slab Cutting - Edge Polishing - Block Quarrying - Value-added Designing - Export
(C) Value-added Designing - Block Quarrying - Edge Polishing - Slab Cutting - Export
(D) Block Quarrying - Value-added Designing - Slab Cutting - Edge Polishing - Export

10. Consider the following statements regarding the environmental impact of the stone-cutting industry in Rajasthan:
Statement I: The slurry generated from marble and granite processing units forms an impervious layer on the soil surface, hindering groundwater recharge.
Statement II: The disposal of stone slurry into open lands acts as an organic fertilizer, significantly enhancing soil fertility.
Which of the following statement(s) is/are correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct, but Statement II is incorrect.
(D) Statement I is incorrect, but Statement II is correct.

11. The Jalore-Sirohi belt is renowned for the processing and export of which specific type of dimensional stone?
(A) Slate stone
(B) Granite
(C) Pink Marble
(D) Phyllite

12. Which public sector enterprise plays a crucial role in the extraction and supply of rock phosphate, lignite, and gypsum to various mineral-based industries in Rajasthan?
(A) Rajasthan State Industrial Development and Investment Corporation (RIICO)
(B) Rajasthan State Mines and Minerals Limited (RSMML)
(C) Hindustan Copper Limited (HCL)
(D) Rajasthan Financial Corporation (RFC)

13. Which district in Rajasthan is historically known for its glass industry due to the local availability of silica sand and state government initiatives like the Hi-Tech Precision Glass factory?
(A) Dholpur
(B) Jodhpur
(C) Udaipur
(D) Sikar

14. Consider the following statements regarding the cement industry in Rajasthan:
I. It is categorized as a weight-losing industry, hence plants are located near limestone quarries.
II. Pali, Nagaur, and Chittorgarh are prominent districts hosting large-scale cement manufacturing units.
III. The availability of coal from captive mines within Rajasthan is the primary reason for low energy costs in these plants.
IV. Gypsum, widely available in western Rajasthan, is a vital input for these cement plants.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, II and IV
(D) I, III and IV

15. Choose the odd one out with respect to major ceramic and pottery industry centers in Rajasthan.
(A) Bikaner
(B) Jaipur
(C) Thanaghazi (Alwar)
(D) Khurja

16. The Hindustan Zinc Limited (HZL) operates major zinc-lead smelting complexes in Rajasthan. Which of the following is NOT a smelting location associated with HZL in the state?
(A) Chanderiya
(B) Debari

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(C) Zawar
(D) Dariba

17. Arrange the following stages of the cement manufacturing process in the correct chronological order:
I. Clinker grinding with gypsum
II. Limestone quarrying and crushing
III. Kiln heating and clinker formation
IV. Raw meal blending and pre-heating
(A) II, IV, III, I
(B) II, III, IV, I
(C) IV, II, III, I
(D) II, I, IV, III

18. Which of the following pairs of Mineral Industry and its primary district is incorrectly matched?
(A) Sandstone processing - Bharatpur
(B) Zinc smelting - Chittorgarh
(C) Granite cutting - Jalore
(D) Gypsum processing - Banswara

19. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The ceramic and pottery industry has witnessed substantial growth in the Bikaner district.
Reason (R): Bikaner and its surrounding regions possess extensive deposits of high-quality ball clay and fire clay.
In the context of the above two statements, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

20. The prolonged inhalation of fine silica dust generated by sandstone cutting units in districts like Kota and Dholpur has led to an occupational health crisis. Which specific respiratory disease is most associated with this exposure?
(A) Asbestosis
(B) Byssinosis
(C) Silicosis
(D) Siderosis

21. Which policy framework in Rajasthan explicitly aims to promote value addition in the mineral sector, encouraging the transition from raw mineral export to local manufacturing of processed goods?
(A) Rajasthan Industrial Development Policy
(B) Rajasthan Agricultural Competitiveness Project
(C) Rajasthan Tourism Unit Policy
(D) Rajasthan Forest Produce Act

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22. Consider the following statements regarding the environmental and rehabilitation challenges of mining areas in Rajasthan:
I. Extensive unscientific mining operations have severely depleted the local water tables.
II. Mine closure plans strictly require the backfilling and ecological restoration of depleted quarries.
III. The accumulation of stone slurry has positively contributed to the growth of native flora in mining belts.
Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) III only
(C) II and III only
(D) I and III only

23. Identify the incorrect statement regarding the lead-zinc smelting process in Rajasthan.
(A) Zinc and lead deposits in Rajasthan are typically found occurring together in nature as complex sulphide ores.
(B) The Chanderiya smelter operates entirely on hydrometallurgical units without any pyrometallurgical capacity.
(C) Silver is recovered as an exceptionally high-value metallic byproduct during the smelting of complex lead-zinc ores.
(D) Sulphuric acid is generated as a byproduct during roasting of sulphide ores and supplied to regional fertilizer plants.

24. Gypsum-based industrial units are primarily localized in the western and north-western districts of Rajasthan because:
(A) These districts receive the highest rainfall, necessary for gypsum washing.
(B) The region lacks other major industries, prompting government subsidies specifically for gypsum.
(C) Bikaner, Nagaur, and Sri Ganganagar contain the largest reserves of gypsum in the state.
(D) Gypsum is extracted exclusively as a byproduct of the local petroleum refineries in Barmer.

25. Which specific sandstone from Rajasthan, known for its unique pinkish-red hue, was historically utilized in the construction of the Red Fort in Delhi and recently in the Ram Mandir at Ayodhya?
(A) Jodhpur Red Sandstone
(B) Bijolia Splitting Sandstone
(C) Khatu Buff Sandstone
(D) Bansi Paharpur Sandstone

26. To balance industrial growth with resource conservation, which of the following practices is most strongly advocated for the stone processing industry in Rajasthan?
(A) Adopting closed-loop water recycling and using slurry in brick making
(B) Relocating all stone-cutting and processing units outside the state borders permanently
(C) Replacing modern mechanized cutting processes entirely with traditional manual labor methods
(D) Completely halting all state export licenses for raw and processed dimensional stones

27. Which of the following is NOT a significant contributor to the export value generated by Rajasthan's mineral-based processing sector?
(A) Polished Granite slabs
(B) Unprocessed Lignite coal
(C) Designer Ceramic tiles
(D) Value-added Marble artifacts

28. Match List I with List II and select the correct answer using the codes given below:
List I: (Specific Stone Variety)
P. Yellow Limestone/Sandstone
Q. Green Marble
R. White Marble
S. Kota Stone
List II: (Associated District)
1. Udaipur
2. Makrana (Nagaur)
3. Jaisalmer
4. Kota / Jhalawar
(A) P-1, Q-3, R-4, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-4, R-1, S-3

29. In the context of Rajasthan's mineral industry, the term "Dimensional Stone" refers to:
(A) Natural rock quarried and trimmed to specific block or slab dimensions
(B) Coarse stones crushed into small aggregates primarily used for road construction
(C) High-value precious and semi-precious gemstones measured and sold in carats
(D) Synthetic artificial stones manufactured by bonding marble dust with chemical resins

30. Which specialized institute was established in Rajasthan to promote research, skill development, and technological upgradation specifically for the dimensional stone sector?
(A) Indian Institute of Gem and Jewellery (IIGJ)
(B) Rajasthan State Mineral Development Corporation (RSMDC)
(C) Centre for Development of Stones (CDOS)
(D) Malviya National Institute of Technology (MNIT)

31. Identify the correct statement regarding private sector investment in Rajasthan's mineral-based industries over the last decade.
(A) Private capital investment has been strictly and legally banned across the cement manufacturing sector.
(B) Private enterprises are legally permitted to operate exclusively within the non-ferrous copper smelting industry.
(C) Overall investment has sharply declined due to the complete exhaustion of commercial marble reserves across the state.
(D) Investment has shifted from extraction to establishing local value-added processing units.

32. Which location factor plays the most decisive role in the establishment of a cement manufacturing plant?
(A) Proximity to deep-water major international ports for export shipping
(B) Proximity to rapidly expanding large metropolitan consumer markets
(C) Proximity to bulky raw materials like limestone
(D) Proximity to major agricultural belts supplying continuous biomass fuel

33. Select the correct historical sequence of the establishment of cement plants in Rajasthan, identifying the location of the very first cement plant set up in the state.
(A) Lakheri (First) → Sawai Madhopur → Nimahera
(B) Nimahera (First) → Lakheri → Beawar
(C) Sawai Madhopur (First) → Nimahera → Lakheri

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(D) Beawar (First) → Lakheri → Sawai Madhopur

34. Consider the following statements regarding the marble industry in Rajasthan:
Statement I: Processing units generate significant amounts of fine marble dust which can cause severe air and soil pollution if not managed properly.
Statement II: The state government actively promotes the utilization of marble slurry in the production of synthetic gypsum and construction bricks.
Which of the following statement(s) is/are correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct, but Statement II is incorrect.
(D) Statement I is incorrect, but Statement II is correct.

35. "Kota Stone", extensively utilized as a flooring material across India, is technically a variety of which of the following rocks?
(A) Fine-grained Limestone
(B) Fine-grained Sandstone
(C) Calcareous Sandstone
(D) Quartzite

36. Choose the odd one out based on the classification of the primary industrial output.
(A) Chanderiya Lead-Zinc Smelter Complex
(B) Khetri Integrated Copper Smelting Complex
(C) Kishangarh Stone Cluster
(D) Debari Hydro-metallurgical Zinc Smelter

37. Dholpur and Bharatpur districts are dominant players in the processing of which naturally occurring building material?
(A) Sandstone
(B) Mica
(C) Asbestos
(D) Rock Phosphate

38. Consider the following elements concerning the ceramic industry in Rajasthan:
I. Dependence on locally available feldspar and quartz.
II. Utilization of high-grade clay deposits found in Bikaner and Barmer.
III. High energy consumption requiring steady fuel supplies like natural gas or coal.
IV. Exclusive production of low-value terracotta pots with no vitrified tile manufacturing.
Which of the above statement(s) correctly represent(s) the characteristics of the ceramic industry in the state?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) I, II and IV

39. Which of the following is a primary mineral input essential for the large-scale manufacturing of glass in Rajasthan?
(A) Dolomite ore
(B) Silica sand
(C) Heavy barytes
(D) Calcite stone

40. The zinc-lead ore extracted from the Rampura Agucha mine undergoes initial crushing and beneficiation at the mine site primarily to:
(A) Substantially increase the overall bulk weight of raw ore prior to long-distance transport
(B) Achieve a complete chemical separation of lead and zinc metals at the primary extraction stage
(C) Upgrade ore grade to cut transport costs to smelter
(D) Extract all precious silver mineral content prior to applying municipal and state mining royalties

41. Which prominent cement group operates multiple large-scale manufacturing units in the Pali and Ajmer districts, capitalizing on the regional limestone belts?
(A) India Cements
(B) Ramco Cements
(C) Dalmia Bharat
(D) Shree Cement

42. Nagaur district has a strong industrial base for white cement manufacturing. Which raw material's high purity and low iron content in this region make white cement production viable?
(A) Low-iron limestone
(B) High-grade fuel lignite
(C) Crystalline selenite gypsum
(D) Industrial bentonite clay

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43. Which of the following districts does NOT have a significant presence of large-scale Portland cement manufacturing plants?
(A) Chittorgarh
(B) Churu
(C) Sirohi
(D) Bundi

44. Which of the following is NOT considered a primary location factor for the establishment of mineral-based processing units in Rajasthan?
(A) Proximity to mineral reserves
(B) Availability of navigable inland waterways
(C) Access to a reliable power supply grid
(D) Connectivity via national highways and freight corridors

45. Consider the following statements regarding value-added stone products in Rajasthan:
I. Designing stone artifacts and specialized tiles yields higher profit margins compared to exporting raw stone blocks.
II. The export value of processed marble and granite forms a major component of Rajasthan's total industrial exports.
III. Value addition reduces the employment potential in the stone sector due to heavy automation.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

46. The sandstone processing units in Kota are uniquely known for producing which of the following?
(A) High-clarity transparent stone panels designed specifically for specialty architectural glass manufacturing
(B) Ultra-pure pulverized silica sand utilized exclusively in modern microchip and semiconductor manufacturing
(C) Thin split stone tiles for durable flooring and cladding
(D) High-density interlocking pavement bricks manufactured by bonding crushed stone dust with synthetic resins

47. Identify the correct statement regarding Rajasthan's position in India's mineral-based industrial landscape.
(A) Rajasthan remains a purely marginal producer of cement, relying heavily on steady bulk imports from southern manufacturing states.
(B) Rajasthan lacks any organized modern ceramic industry due to a complete absence of regional natural gas pipeline infrastructure.
(C) Rajasthan imports raw granite for processing but completely lacks any indigenous commercial granite rock reserves within its borders.
(D) Rajasthan produces all domestic lead and zinc, supporting the nation's smelters.

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48. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): The glass industry in Rajasthan is largely concentrated in districts like Dholpur, Alwar, and Jaipur.
Reason (R): These districts have easy access to high-quality silica sand deposits and are well-connected to energy sources and major consuming markets.
In the context of the above two statements, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

49. What advanced smelting technology was adopted at the Chanderiya Lead-Zinc Smelter to improve energy efficiency and environmental compliance?
(A) Open-hearth furnace technology
(B) Ausmelt technology
(C) Bessemer converter technology
(D) Puddling furnace technology

50. The Khetri Copper Complex is integrated with a facility that utilizes the sulfur dioxide emissions from the smelting process to manufacture:
(A) Plaster of Paris
(B) Soda Ash
(C) Caustic Soda
(D) Sulphuric Acid

51. Which is the most appropriate reason for the establishment of the copper smelting complex at Khetri?
(A) Proximity to chalcopyrite copper ore deposits in Khetri-Singhana
(B) Uninterrupted availability of low-cost abundant hydroelectric power across the Jhunjhunu region

ANSWERS

1. (B) Chittorgarh
Chittorgarh has emerged as a premier hub for the cement industry in Rajasthan due to its massive, contiguous deposits of high-grade limestone. The regional geological formations provide abundant raw material, minimizing transportation expenses. Coupled with well-established rail and road connectivity, this proximity enables large-scale, cost-effective manufacturing of cement, making the district a dominant industrial center.

2. (D) Marble cutting and processing
Kishangarh in Ajmer district is globally renowned as a major processing and trading hub for marble and other dimensional stones. Raw stone blocks from across Rajasthan and abroad are transported here for cutting, polishing, and surface treatment using advanced gang saws and automatic machinery. This established ecosystem has made Kishangarh an internationally recognized stone hub.

3. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Chanderiya Lead-Zinc Smelter complex, located in Chittorgarh district, is one of the world's largest zinc-lead smelting complexes. Its strategic placement in Chittorgarh is directly linked to proximity to captive zinc-lead ore supplies from the Rampura Agucha mines in Bhilwara, along with established infrastructure that ensures reliable, continuous supplies of water and electric power.

4. (C) P-3, Q-1, R-2, S-4
Jalore is widely recognized as the principal center for granite processing in Rajasthan. Dholpur is historically prominent for its red sandstone quarries and architectural processing units. Bikaner hosts extensive ball clay reserves, making it a key ceramic manufacturing hub. Jhunjhunu houses the Khetri region, which is famous for copper mining and smelting activities.

5. (A) Bauxite
Commercial glass production requires silica sand as the major glass-forming network provider, alongside soda ash to lower the melting temperature and limestone to act as a chemical stabilizer. Bauxite, being an ore composed mainly of aluminum hydroxides, is primarily used in aluminum metallurgy and refractory bricks rather than as a primary component in glass manufacturing.

6. (A) I and II only
The Khetri Copper Complex in Jhunjhunu is an integrated industrial facility encompassing underground copper mines and a metallurgical smelting plant. During the pyrometallurgical roasting and smelting of sulfide ores, sulfur dioxide emissions are captured and converted into commercial sulfuric acid. The complex relies on local captive mines like Khetri and Kolihan rather than depending solely on imported concentrates.

7. (B) To retard the setting time of the cement
During cement manufacturing, gypsum is added to clinker during the final grinding phase. It acts as a retarding agent that controls the hydration reaction of tricalcium aluminate upon adding water. This prevents flash setting, allowing concrete mix to remain workable for a sufficient period so that placement, compaction, and finishing can be performed effectively during construction.

8. (C) The reduction in production costs from shared local infrastructure, specialized labor, and supplier networks
Agglomeration economies refer to cost savings and operational advantages achieved when industries co-locate in a geographical region. In Kishangarh, spatial clustering allows processing plants to benefit from shared logistics, specialized machine repair workshops, skilled labor pools, and access to domestic and international buyers, thereby reducing overall overhead expenses and boosting economic efficiency across the entire local stone sector.

9. (A) Block Quarrying - Slab Cutting - Edge Polishing - Value-added Designing - Export
The value chain of dimensional stones initiates at quarrying sites where massive raw mineral blocks are extracted. These blocks are transported to processing units for gang saw slicing into uniform

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Minerals Limited)
(C) DMG (State Directorate of Mines and Geology)
(D) CDOS (Autonomous Centre for Development of Stones)

59. The export value of which of the following processed minerals constitutes the largest share in Rajasthan's dimensional stone export portfolio?
(A) Calibrated Processed Slate tiles
(B) Marble and Granite
(C) Excavated Rough Lignite Blocks
(D) Unprocessed Raw Mica sheets

60. Arrange the following value-addition steps of the marble industry in the correct operational sequence:
I. Packing and Export
II. Block Excavation
III. Polishing and Resin Treatment
IV. Slicing using Gang Saws
(A) II, IV, III, I
(B) II, III, IV, I
(C) IV, II, III, I
(D) II, I, IV, III

61. Where is the corporate headquarters of Rajasthan State Mines and Minerals Limited (RSMML), the key agency linking raw mineral extraction to industrial supply, located?
(A) Udaipur
(B) Jaipur
(C) Jodhpur
(D) Kota

62. Which of the following is a correct pair of a dimensional stone and the primary mechanized tool used for its modern large-scale processing in Rajasthan?
(A) Marble blocks - Hand-held chisels and wooden mallets exclusively
(B) Sandstone - Chemical dissolving vats
(C) Granite slabs - Diamond wire saw and multi-blade block cutters
(D) Slate - Thermal smelting furnaces

63. Consider the following statements regarding the rehabilitation challenges of mining and mineral processing areas in Rajasthan:
I. The restoration of deep open-pit mines requires systematic backfilling and afforestation.
II. Contamination of groundwater with heavy metals is a critical concern near old smelting sites.
III. Rehabilitation policies legally allow abandoned mines to be left untreated if the mining company declares bankruptcy.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

64. Which of the following is NOT typically classified as a value-added product of the stone industry in Rajasthan?
(A) Calibrated and chamfered granite tiles
(B) CNC-carved marble jalis (latticework)
(C) Raw, unhewn sandstone boulders
(D) Edge-profiled stone countertops

65. The Kishangarh marble cluster is an outstanding example of industrial employment generation. What kind of employment does this cluster primarily generate?
(A) Exclusively direct high-salaried technical employment reserved for specialized software systems engineers
(B) Direct processing jobs and indirect trade and logistics employment
(C) Only seasonal indirect informal employment for regional agricultural laborers during the monsoon off-season
(D) Strictly permanent government administrative jobs created through state-owned public sector enterprises

66. Skill development in the mineral processing sector is vital for reducing raw material wastage. Which of the following technical skills is most critical for workers in modern stone processing units?
(A) In-depth knowledge of seasonal agricultural crop rotation cycles
(B) Advanced proficiency in dangerous underground explosive blasting techniques
(C) Handicraft expertise in hand-weaving intricate traditional textile patterns
(D) Operating CNC stone machines and gang saws

67. Identify the correct statement regarding recent investment trends in Rajasthan's mineral-based industries.
(A) Private investment in ceramic and glass hubs has grown, aided by natural gas.

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(B) There is a sharp structural shift away from value-added mineral processing, with capital investors preferring to solely export raw, unrefined excavated ores.
(C) All forms of Foreign Direct Investment (FDI) remain strictly and completely prohibited across the non-metallic cement and ceramic manufacturing sectors of Rajasthan.
(D) Capital investment in the regional stone cutting industry has entirely ceased due to the total physical exhaustion of all commercial stone quarries in the state.

68. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R):
Assertion (A): Sustainability concerns are increasingly prompting the stone processing industry in Rajasthan to adopt circular economy practices.
Reason (R): Unregulated processing and slurry dumping result in rapid resource depletion, environmental degradation, and long-term economic unviability.
In the context of the above two statements, which one of the following is correct?
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

69. While Kishangarh is the largest processing center, which town in Rajasthan is historically world-famous for the primary extraction of pristine white marble?
(A) Makrana
(B) Morbad
(C) Rikhabdeo
(D) Banswara

70. Ecological restoration of areas affected by mineral processing often involves phytoremediation. What does this refer to?
(A) Neutralizing highly acidic slurry runoff by applying large quantities of industrial chemical bases
(B) Permanently relocating entire rural settlements and villages far away from declared industrial zones
(C) Paving over all abandoned open-cast mines with thick layers of concrete to completely cover surface dust
(D) Using plants to stabilize soil and absorb soil pollutants

71. Consider the following factors determining the location of mineral-based industries in Rajasthan:
I. Freight costs of raw materials versus finished goods
II. Availability of continuous and affordable electrical power
III. Favorable state industrial policies and tax incentives
IV. Availability of marine ports within a 50 km radius
Which of the above statement(s) represent(s) the actual factors influencing industrial locations in Rajasthan?
(A) I, II and IV
(B) I, II and III
(C) II, III and IV
(D) I, III and IV

72. What is the most severe direct impact of the unmanaged discharge of stone slurry from cutting units on the local hydrology?
(A) It substantially increases local underground water table levels by completely preventing surface water evaporation.
(B) It naturally purifies local groundwater supplies by actively filtering out all harmful biological contaminants.
(C) Choking drainage systems and sealing soil pores, blocking percolation
(D) It chemically dissolves deep subterranean limestone bedrock at rapid rates, triggering massive surface sinkholes.

73. Consider the following statements regarding government policy support for the mineral industry:
Statement I: The Rajasthan Industrial Development Policy provides capital investment subsidies to micro and small enterprises engaged in mineral processing.
Statement II: The policy mandates that 100% of the profits generated by private mineral industries must be deposited into the state treasury.
Which of the following statement(s) is/are correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct, but Statement II is incorrect.

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(D) Statement I is incorrect, but Statement II is correct.

74. Which of the following is NOT a core function of the Rajasthan State Mines and Minerals Limited (RSMML)?
(A) Issuing environmental clearances to private miners
(B) Commercial mining and domestic marketing of high-grade Rock Phosphate deposits
(C) Mechanized extraction of Lignite coal for regional thermal power generation plants
(D) Large-scale extraction and commercial sale of high-grade Gypsum to industries

75. For the manufacturing of ceramic vitrified tiles, which combination of minerals acts as the primary body material?
(A) Bauxite ore and refined iron ore
(B) Clay, feldspar, and quartz
(C) Galena ore and metallic sphalerite
(D) Natural gypsum and rock halite

76. Match List I with List II and select the correct answer using the codes given below:
List I: (Key Mineral Input)
P. Lead-Zinc Ore
Q. Ball Clay
R. Cement-grade Limestone
S. Copper Ore
List II: (Dominant Producing District utilized by local industries)
1. Chittorgarh
2. Jhunjhunu
3. Bhilwara (Rampura Agucha)
4. Bikaner
(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-4, R-1, S-2
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-3, R-2, S-1

77. The presence of the smelting industry has stimulated the growth of the fertilizer industry in Rajasthan. Which smelting byproduct serves as a crucial input for manufacturing superphosphate fertilizers?
(A) Sulfuric acid
(B) Purified zinc oxide powder
(C) Granulated blast furnace slag cement
(D) Refinery electro-slime anode mud

78. Identify the incorrect statement regarding the industrial linkage between gypsum and other sectors.
(A) Gypsum is indispensable in the cement industry for controlling the hydration rate of Portland cement.
(B) Raw gypsum is heavily utilized in agriculture to reclaim sodic (alkaline) soils in Rajasthan.
(C) Plaster of Paris is produced by completely melting gypsum at temperatures exceeding 1000°C.
(D) RSMML is a leading supplier of gypsum to the cement plants of Rajasthan and neighboring states.

79. What is the most appropriate reason for the clustering of granite processing units in the Jalore-Sirohi region?
(A) The region possesses the nation's only legally designated inland freight container depot specialized for heavy stone exports.
(B) The region receives the state's highest annual monsoon rainfall, providing abundant continuous water supplies for stone cutting saws.
(C) Strict state environmental conservation laws prohibit setting up granite cutting and processing units in any other district of Rajasthan.
(D) Proximity to Malani igneous suite granitic intrusions, cutting transport costs

80. Overall, how do the mineral-based industries structurally contribute to the economy of Rajasthan?
(A) They exclusively support the primary sector by offering temporary employment to agricultural labor during non-harvest seasons, while generating minimal economic export value.
(B) They contribute almost entirely to the state's tertiary service sector through mineral trade and tourism, while having virtually no measurable impact on industrial manufacturing output.
(C) They earn foreign exchange, create vast employment, and support the secondary sector.
(D) They account for less than one percent of total state gross domestic product and are currently being phased out by policymakers due to severe domestic resource depletion.

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(C) The strategic presence of a major deep-water port nearby for bulk exporting of refined copper
(D) A binding central government policy mandate aimed specifically at industrializing the Thar desert core

52. Consider the following industries:
I. Portland Cement manufacturing
II. Plaster of Paris manufacturing
III. Agriculture (as a soil conditioner for alkaline soils)
IV. Glass manufacturing
Which of the above option(s) accurately represent(s) the major end-use sectors for gypsum extracted in Rajasthan?
(A) I, II and IV
(B) I, II and III
(C) II, III and IV
(D) I, III and IV

53. Identify the incorrect statement regarding the sandstone industry in Rajasthan.
(A) Sandstone processing units require massive amounts of limestone as a fluxing agent.
(B) Sandstone is predominantly quarried in the eastern and south-eastern districts of the state.
(C) The industry is highly export-oriented, shipping dimensional stones to European and Middle Eastern markets.
(D) Mechanized gang saws and wire saws have modernized the cutting of sandstone blocks.

54. Which characteristic of Jalore granite makes it highly desirable for processing and export?
(A) Its exceptional softness and low density, making it extremely easy to carve using simple hand tools
(B) Its unusually high surface porosity, which allows it to absorb water and aqueous solutions rapidly
(C) Its chemical instability and ability to decompose quickly when subjected to direct natural sunlight
(D) Aesthetic variety, excellent polish, and structural durability

55. Transport connectivity is a critical location factor for Rajasthan's mineral-based industries. Which recent infrastructure development is expected to significantly boost the export competitiveness of the stone and ceramic sectors in the state?
(A) The complete operational expansion of the main Indira Gandhi Canal network
(B) The Dedicated Freight Corridor (DFC) route
(C) The urban transit expansion of the Jaipur Metro rail network to suburban industrial zones
(D) The strategic construction and opening of the highway transit route through the Atal Tunnel

56. Consider the following statements regarding the occupational hazards in the stone processing industry:
Statement I: Dry drilling and crushing of silica-rich stones without protective measures lead to a high incidence of silicosis among workers.
Statement II: The state government has launched the Rajasthan Pneumoconiosis Policy to provide financial assistance and rehabilitation to affected workers.
Which of the following statement(s) is/are correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct, but Statement II is incorrect.
(D) Statement I is incorrect, but Statement II is correct.

57. Match List I with List II and select the correct answer using the codes given below:
List I: (Mineral Industry Process)
P. Stone Cutting and Polishing
Q. Base Metal Smelting
R. Open-cast Mining
S. Cement Manufacturing
List II: (Primary Environmental Concern)
1. Sulphur dioxide emissions and heavy metal slag
2. Slurry generation blocking soil porosity
3. High particulate matter (dust) emissions
4. Deforestation and landscape degradation
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-1, R-4, S-3

58. Identify the odd one out among the following government bodies/institutions based on their core mandate regarding Rajasthan's industrial and mineral sector.
(A) RSRTC (Road Transport Corp)
(B) RSMML (Rajasthan State Mines and

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slabs. Subsequently, surface grinding, chemical resin treatment, edge profiling, and customized designing enhance product appeal before final packaging and shipment to export destinations worldwide.

10. (C) Statement I is correct, but Statement II is incorrect.
Fine slurry created during stone slicing forms an impermeable crust when dumped on open terrain. This layer severely impedes natural rainwater infiltration, reducing groundwater table recharge and causing topsoil degradation. Furthermore, slurry lacks organic nutrients and increases soil alkalinity, making dumped lands unproductive and unsuitable for agriculture or normal plant vegetation.

11. (B) Granite
The Jalore-Sirohi region in southwestern Rajasthan is famous for its rich deposits and extensive processing clusters dedicated to granite. The region features diverse color varieties, including red, pink, grey, and black granite. Advanced processing facilities in this belt supply polished slabs and tiles for domestic construction and foreign markets worldwide.

12. (B) Rajasthan State Mines and Minerals Limited (RSMML)
Rajasthan State Mines and Minerals Limited is a prominent public sector enterprise of the state government. It engages in the commercial exploration, extraction, and marketing of major non-metallic minerals, including rock phosphate in Udaipur, gypsum across western districts, and lignite. It supplies vital raw materials to chemical, fertilizer, and cement industries.

13. (A) Dholpur
Dholpur district has long been associated with the glass manufacturing industry in eastern Rajasthan. The region possesses fine quality silica sand, a fundamental raw material required for glass making. State initiatives, including historical establishments like the Hi-Tech Precision Glass factory, leveraged these natural deposits to foster a specialized regional glass manufacturing cluster.

14. (C) I, II and IV
Cement manufacturing consumes substantial raw limestone and gypsum, losing weight during calcination, which dictates locating plants near limestone deposits. Major manufacturing centers exist in Pali, Nagaur, and Chittorgarh. Gypsum from western Rajasthan serves as a necessary additive. However, plants primarily depend on imported coal or petcoke because internal coal reserves in Rajasthan are insufficient.

15. (D) Khurja
Bikaner, Jaipur, and Thanaghazi in Alwar are key centers located within Rajasthan known for ceramic raw material extraction, traditional pottery, and specialized stoneware industries. Conversely, Khurja is an important industrial cluster famous for pottery and ceramic production located in Bulandshahr district in Uttar Pradesh, rather than inside the state of Rajasthan.

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16. (C) Zawar
Hindustan Zinc Limited operates major base metal smelting plants at Chanderiya in Chittorgarh, Debari in Udaipur, and Dariba in Rajsamand. Zawar, located near Udaipur, is an ancient and active underground mining location where lead-zinc ore is extracted and beneficiated, but it does not operate as a primary pyrometallurgical or hydrometallurgical metal smelting plant.

17. (A) II, IV, III, I
The cement production process follows a strict sequential order. First, raw limestone is quarried and mechanically crushed. Second, crushed limestone is blended with additives into a raw meal and pre-heated. Third, the mix is fed into a rotary kiln for high-temperature calcination to form clinker nodules. Finally, clinker is interground with gypsum into powder.

18. (D) Gypsum processing - Banswara
Gypsum deposits and processing facilities in Rajasthan are overwhelmingly located in the arid western and north-western regions, including Bikaner, Nagaur, Sri Ganganagar, and Jaisalmer. Banswara, situated in southern Rajasthan, is rich in manganese, marble, and limestone deposits, but lacks commercial gypsum deposits or processing infrastructure, making the listed pair incorrect.

19. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Bikaner has established a strong industrial presence in ceramics and pottery due to its geological abundance of superior ceramic

38. (A) I, II and III
Ceramic manufacturing relies on local raw materials, including feldspar, quartz, and high-grade ball clay from Bikaner and Barmer. The industry requires substantial thermal energy provided by continuous coal or natural gas pipelines. Modern units produce sophisticated vitrified tiles and sanitaryware alongside traditional ceramic goods, making the fourth statement factually inaccurate.

39. (B) Silica sand
Silica sand is the primary essential raw material used in large-scale glass production, acting as the main silicon dioxide network former. Glass plants melt silica sand at elevated temperatures alongside fluxes like soda ash and stabilizers like limestone to produce flat sheet glass, laboratory glassware, containers, and precision optical components.

40. (C) Upgrade ore grade to cut transport costs to smelter
Extracted lead-zinc ore from Rampura Agucha contains relatively low concentration percentages of metal. On-site crushing, grinding, and froth flotation beneficiation process the crude ore into high-grade lead and zinc concentrates. Upgrading metal content near the mining site removes waste gangue, dramatically reducing freight volume and transportation costs before shipment to smelters.

41. (D) Shree Cement
Shree Cement is a leading cement manufacturing company operating multiple integrated plants and grinding units across Ajmer and Pali districts. By utilizing localized limestone deposits, advanced waste heat recovery systems, and efficient rail connectivity, the group has established large-scale, cost-effective production facilities serving northern and western Indian construction markets.

42. (A) Low-iron limestone
Nagaur district, particularly around Gotan, possesses vast reserves of extremely pure, high-grade limestone containing minimal iron oxide impurities. Iron oxides impart a dark grey shade to standard Portland cement; hence, high-purity low-iron limestone is an indispensable raw material required to manufacture bright white cement used in decorative architectural finishings.

43. (B) Churu
Chittorgarh, Sirohi, and Bundi host extensive, high-grade limestone formations, making them primary centers for large-scale Portland cement manufacturing in Rajasthan. Conversely, Churu district consists predominantly of desert terrain devoid of commercial cement-grade limestone reserves, preventing the establishment of major integrated cement manufacturing plants within its regional administrative boundaries.

44. (B) Availability of navigable inland waterways
Establishing mineral processing units in Rajasthan depends on resource proximity, electrical power availability, and highway and rail connectivity for freight transport. Because Rajasthan lacks perennial, deep-water navigable inland waterways due to its semi-arid geography, inland water transport plays no role as a location factor for mineral industries in the state.

45. (A) I and II only
Precision cutting and designing of stone tiles, countertops, and artifacts yield significantly higher profit margins than exporting unrefined mineral blocks. Processed stone products constitute a major portion of state export income. Furthermore, value addition increases job creation across specialized machining, surface polishing, packing, and design sectors, making statement III incorrect.

46. (C) Thin split stone tiles for durable flooring and cladding
Sandstone processing clusters in Kota specialize in manufacturing split flaggy tiles and dimensional flooring slabs. The unique natural bedded structure of Kota stone allows it to be split into uniform, thin layers. These durable, non-slip tiles are widely processed, polished, and edge-trimmed for commercial and residential flooring and exterior wall cladding.

47. (D) Rajasthan produces all domestic lead and zinc, supporting the nation's smelters.
Rajasthan holds a unique near-monopoly in India for the mining and primary production of lead and zinc ores. Major deposits at Rampura Agucha, Zawar, Rajpura Dariba, and Kayad fulfill domestic raw metal demands. These captive deposits feed integrated smelting facilities across Rajasthan, supporting India's base metal requirements and chemical manufacturing sectors.

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is extracted from the famous quarries of Makrana in Nagaur district. Fine-grained limestone, commercialized widely as Kota stone, is predominantly produced across Kota and Jhalawar districts region.

29. (A) Natural rock quarried and trimmed to specific block or slab dimensions
Dimensional stone refers to natural building stone that has been selected, quarried, and field-trimmed or cut to precise shapes, sizes, or thicknesses. Unlike crushed aggregates used in road construction, dimensional stones retain structural integrity and aesthetic surface patterns, making them ideal for architectural cladding, monument carving, flooring, and decorative structural installations.

30. (C) Centre for Development of Stones (CDOS)
The Centre for Development of Stones is an autonomous organization established under the aegis of RIICO in Rajasthan. It functions as an apex testing, training, and promotional body designed to modernize stone processing technology, organize global trade fairs like India Stonemart, and foster skill development across the state's dimensional stone sector.

31. (D) Investment has shifted from extraction to establishing local value-added processing units.
In recent years, private capital investment in Rajasthan's mineral sector has increasingly transitioned from raw ore extraction to domestic value-addition. Policy incentives and market demands have encouraged investors to establish advanced stone processing clusters, ceramic tile manufacturing hubs, and automated gang-saw units, maximizing local revenue generation, quality control, and employment growth.

32. (C) Proximity to bulky raw materials like limestone
Cement manufacturing requires large quantities of heavy, low-value raw materials, primarily limestone, which loses substantial mass during high-temperature calcination in kilns. Because transporting unrefined limestone over long distances significantly increases production costs, cement manufacturing plants are universally established directly adjacent to extensive, high-grade natural limestone quarry sites.

33. (A) Lakheri (First) → Sawai Madhopur → Nimahera
Lakheri in Bundi district holds historical significance as the location where Rajasthan's first commercial cement plant was established by Associated Cement Companies in 1915. Subsequently, large-scale cement manufacturing expanded to Sawai Madhopur in the mid-twentieth century and later to Nimbaheda in Chittorgarh, establishing the state's modern cement manufacturing industrial belt.

34. (A) Both Statement I and Statement II are correct.
Marble processing generates substantial quantities of micro-fine stone dust and slurry that pollute air quality and reduce soil permeability when uncontained. To address environmental hazards, state policy actively encourages turning collected marble slurry into commercial construction products, such as eco-friendly bricks, paving tiles, and synthetic gypsum, fostering resource recovery initiatives.

35. (A) Fine-grained Limestone
Kota stone is commercially classified and globally recognized as a fine-grained, flaggy, argillaceous limestone. Quarried heavily in Kota and Jhalawar districts, its natural physical properties enable easy splitting into thin, smooth sheets. Its toughness, non-porous surface, and aesthetic slip-resistant appeal make it a popular choice for indoor and outdoor flooring.

36. (C) Kishangarh Stone Cluster
The Chanderiya smelter, Khetri copper complex, and Debari zinc facility are major primary metallurgical base metal smelting centers that extract and refine metallic elements like copper, lead, and zinc. Conversely, the Kishangarh stone cluster is a non-metallic industrial processing hub that specializes strictly in cutting, polishing, and shaping natural dimensional stones.

37. (A) Sandstone
Dholpur and Bharatpur districts in eastern Rajasthan are geographically situated on rich sedimentary formations that provide exceptional building sandstone. Renowned for uniform texture and fine colors like pink, red, and buff, these districts support widespread open-cast quarrying and computerized cutting units that process sandstone for architectural construction and heritage restoration.

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clays. Deposits of high-grade ball clay, fire clay, and china clay around Bikaner supply vital raw materials to local processing plants, reducing material transportation costs and directly stimulating regional growth in ceramic manufacturing.

20. (C) Silicosis
Inhaling microscopic respirable crystalline silica dust generated during dry cutting, grinding, and crushing of sandstone in districts like Kota and Dholpur causes silicosis. This incurable occupational lung disease leads to permanent fibrotic scarring of lung tissue, reduced respiratory capacity, severe breathing difficulties, and elevated vulnerability to secondary pulmonary infections among workers.

21. (A) Rajasthan Industrial Development Policy
The Rajasthan Industrial Development Policy provides comprehensive strategic frameworks to incentivize local manufacturing, mineral processing, and industrial value addition. By offering financial subsidies, infrastructure development, and procedural relaxations, the policy actively encourages mineral lease holders and industrial entrepreneurs to transition from exporting crude raw minerals toward producing value-added processed products.

22. (B) III only
Historical unscientific mining operations have significantly depleted subterranean water tables across mining corridors. Statutory mine closure plans legally require systematic backfilling and ecological reclamation of exhausted quarries. However, the dumping of non-biodegradable stone slurry creates toxic crusts that inhibit plant seed germination and destroy indigenous vegetation, making statement III entirely incorrect.

23. (B) The Chanderiya smelter operates entirely on hydrometallurgical units without any pyrometallurgical capacity.
Base metal ores in Rajasthan occur naturally as complex lead-zinc sulfides. The Chanderiya Lead-Zinc Smelter complex incorporates both pyrometallurgical smelting technology, including imperial smelting furnaces, and modern hydrometallurgical leaching circuits. High-value silver is extracted as a byproduct, and captured sulfur dioxide emissions are processed into commercial-grade sulfuric acid for local consumption.

24. (C) Bikaner, Nagaur, and Sri Ganganagar contain the largest reserves of gypsum in the state.
The geographical localization of gypsum processing units, Plaster of Paris plants, and grinding units in western Rajasthan is primarily driven by material proximity. Bikaner, Nagaur, Sri Ganganagar, and Jaisalmer contain vast sedimentary beds of mineral gypsum. Establishing production facilities near these extensive reserves minimizes bulk material haulage expenses quite significantly.

25. (D) Bansi Paharpur Sandstone
Bansi Paharpur sandstone, quarried in Bharatpur district, is nationally famous for its distinctive pinkish-red shade, structural longevity, and fine carveability. This historical natural stone was extensively utilized in classical monuments like the Red Fort in Delhi and has been selected and carved for constructing the iconic Ram Mandir in Ayodhya.

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26. (A) Adopting closed-loop water recycling and using slurry in brick making
Sustainable industrial growth in Rajasthan's stone processing hubs depends on adopting eco-friendly circular economy solutions. Implementing closed-loop water treatment systems enables continuous recycling of process water, conserving scarce regional groundwater. Concurrently, utilizing collected stone slurry as a raw material in concrete brick and tile production resolves land pollution challenges effectively.

27. (B) Unprocessed Lignite coal
Polished granite, vitrified ceramic tiles, and carved marble products represent processed, high-value mineral exports that generate substantial revenues for Rajasthan. Conversely, lignite coal extracted within the state is a low-grade, high-moisture thermal fuel used exclusively for domestic power generation within regional thermal power stations, rather than being exported commercially abroad.

28. (B) P-3, Q-1, R-2, S-4
Jaisalmer is globally recognized for yellow limestone and sandstone varieties. Green marble deposits are concentrated in Rishabhdeo within Udaipur district. Pristine white marble

48. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Eastern districts like Dholpur, Alwar, and Jaipur host prominent glass manufacturing hubs due to local raw material availability and superior connectivity. Geological formations in these areas contain extensive deposits of high-grade silica sand. Proximity to natural gas pipelines and major urban consuming centers makes these locations economically ideal for glass production.

49. (B) Ausmelt technology
The Chanderiya Lead-Zinc Smelter complex implemented advanced Ausmelt technology to enhance base metal extraction efficiency. This top-submerged lance smelting system optimizes thermal energy consumption, reduces process emissions, and handles diverse feed materials cleanly. The technology improves zinc and lead recovery efficiency while ensuring strict adherence to environmental emission quality standards.

50. (D) Sulphuric Acid
Roasting and smelting chalcopyrite copper ores at the Khetri Copper Complex releases large volumes of sulfur dioxide gas. To eliminate harmful airborne emissions, the integrated facility captures off-gases and routes them through a gas purification plant to manufacture concentrated sulfuric acid. This byproduct chemical is subsequently utilized in regional superphosphate fertilizer units.

51. (A) Proximity to chalcopyrite copper ore deposits in Khetri-Singhana
The establishment of the public sector copper smelting complex at Khetri in Jhunjhunu district was determined by resource availability. The Khetri-Singhana belt hosts substantial underground reserves of copper-bearing chalcopyrite ores. Constructing the integrated mining and smelting complex adjacent to these natural mineral deposits minimized bulky ore overall transportation costs effectively.

52. (B) I, II and III
Gypsum mined in western Rajasthan serves as an essential setting retarder in Portland cement and as the core raw material for calcined Plaster of Paris wall plaster. Additionally, raw crushed gypsum is extensively applied in agriculture as a soil amendment to reclaim sodic alkaline soils. However, gypsum plays no major role in glass manufacturing.

53. (A) Sandstone processing units require massive amounts of limestone as a fluxing agent.
Sandstone is a mechanical, non-metallic dimensional stone that is quarried and processed entirely through mechanical sawing, edge trimming, surface polishing, and carving. Unlike iron ore smelting or glass production, sandstone processing requires no chemical fluxing agents like limestone. It is quarried extensively in eastern Rajasthan and actively exported using modernized machinery.

54. (D) Aesthetic variety, excellent polish, and structural durability
Jalore granite is highly sought after across global dimensional stone markets due to its structural strength, low water absorption, and resistance to weathering. The region yields appealing color tones including pink, red, and grey. Its dense crystalline structure takes a mirror-like surface polish, making it ideal for interior and exterior architectural applications.

55. (B) The Dedicated Freight Corridor (DFC) route
The Western Dedicated Freight Corridor passes through key industrial regions of Rajasthan, connecting mineral clusters directly to major western sea ports like JNPT and Kandla. By enabling faster, heavy-haul freight movement and lowering transportation expenses, the DFC significantly enhances the export competitiveness of Rajasthan's bulky stone and ceramic processing industries.

56. (A) Both Statement I and Statement II are correct.
Dry processing of silica-rich rocks releases fine airborne respirable dust, which accumulates in workers' lungs and causes silicosis. Recognizing this severe occupational hazard, the state government formulated the Rajasthan Pneumoconiosis Policy, establishing comprehensive financial relief, medical assistance, disability pensions, and formal rehabilitation measures for affected local stone processing workers.

57. (D) P-2, Q-1, R-4, S-3
Stone cutting and polishing units generate non-biodegradable slurry that seals soil pores and impedes groundwater recharge. Base metal smelting releases sulfur dioxide emissions and

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toxic metal slag. Open-cast mining causes widespread land clearing, surface degradation, and forest loss. Cement manufacturing plants generate major particulate matter and dust emissions during raw meal calcination and clinker grinding.

58. (A) RSRTC (Road Transport Corp)
RSMML, the Directorate of Mines and Geology, and CDOS are government entities focused on mineral exploration, industrial mining, regulatory oversight, and stone sector technological promotion. Conversely, RSRTC is a state public transport corporation dedicated exclusively to managing public passenger road transport and intercity bus services, having no operational link to the mineral sector.

59. (B) Marble and Granite
Marble and granite form the core of Rajasthan's dimensional stone export portfolio. Advanced processing technology, including gang saws and resin treatment lines in centers like Kishangarh and Jalore, allows the state to produce polished slabs and tiles. These high-value dimensional stones command premium prices in international architectural markets across North America, Europe, and Asia.

60. (A) II, IV, III, I
The marble value chain follows a defined operational sequence. First, large raw marble blocks are excavated from open-cast quarries. Second, these blocks are transported to processing mills where gang saws slice them into slabs. Third, surface grinding, polishing, and chemical resin treatments are applied. Finally, completed slabs are packed for domestic distribution or export.

61. (A) Udaipur
Rajasthan State Mines and Minerals Limited maintains its corporate headquarters in Udaipur. Positioned in a region rich in non-metallic minerals, RSMML oversees major commercial mining operations across the state, including rock phosphate extraction at Jhamarkotra near Udaipur, alongside gypsum, lignite, and limestone mining, serving as a vital bridge between mineral extraction and industry.

62. (C) Granite slabs - Diamond wire saw and multi-blade block cutters
Granite is an extremely dense igneous rock that requires heavy-duty cutting equipment. Modern granite processing units in Rajasthan utilize diamond wire saws for primary block trimming and multi-blade block cutters or gang saws with diamond segments for precision slab slicing. This mechanized equipment ensures high efficiency, clean surface edges, and reduced material wastage during processing.

63. (A) I and II only
Reclaiming abandoned open-cast mines requires backfilling empty pits with overburden and planting native vegetation to restore ecological stability. Furthermore, leaching near old metallurgical smelters can cause heavy metal contamination in local aquifers. Environmental laws mandate strictly that mine operators execute rehabilitation plans, prohibiting leaving sites untreated regardless of corporate insolvency, making statement III incorrect.

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64. (C) Raw, unhewn sandstone boulders
Value addition in the stone sector involves processing raw mineral blocks into refined products through cutting, profiling, polishing, and artistic carving. Calibrated granite tiles, CNC-carved marble latticework, and polished countertops represent processed, value-added products. Conversely, raw unhewn sandstone boulders are crude, unrefined materials directly excavated from quarries without undergoing post-extraction industrial processing.

65. (B) Direct processing jobs and indirect trade and logistics employment
The Kishangarh marble cluster functions as a vibrant private industrial ecosystem generating vast local employment. It employs thousands directly as machine operators, gang-saw technicians, polishers, and factory workers. Additionally, it generates extensive indirect employment in freight transportation, heavy machinery repair workshops, commercial trading, packaging, and regional hospitality services throughout the regional economy.

66. (D) Operating CNC stone machines and gang saws
Modernizing the stone processing industry relies heavily on adopting computer numerical control (CNC) machinery, automated gang saws, and

multi-blade diamond cutters. Providing technical training to operators enables precise slab cutting, reduces mineral breakage, and ensures uniform surface finishings, thereby reducing raw material wastage and enhancing product quality for export markets.

67. (A) Private investment in ceramic and glass hubs has grown, aided by natural gas.
Expanding natural gas pipeline networks across Rajasthan has driven private investment in energy-intensive mineral processing sectors like ceramics and glass manufacturing. Access to clean, uninterrupted gas fuel allows modern production facilities in Alwar, Jaipur, and Ghiloth to operate high-temperature kilns efficiently, producing high-quality vitrified tiles and specialized container glass competitively.

68. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Uncontrolled stone processing and dumping of fine slurry lead to topsoil degradation, groundwater recharge blockage, and airborne pollution, threatening ecological balance and long-term economic sustainability. Consequently, stone processing industries are adopting circular economy practices, including slurry brick manufacturing and closed-loop water filtration, to turn environmental wastes into reusable industrial products.

69. (A) Makrana
Makrana in Nagaur district is world-renowned for its pristine, calcitic white marble quarries. Makrana marble possesses high calcitic purity, fine grain, and exceptional translucency, making it resistant to water absorption and yellowing over time. This famous stone was historically used in world monuments such as the Taj Mahal and Victoria Memorial.

70. (D) Using plants to stabilize soil and absorb soil pollutants
Phytoremediation is an ecological restoration technique that utilizes specialized plant species to reclaim degraded lands affected by mining and mineral processing. Plants absorb heavy metals, stabilize loose overburden dumps, reduce dust erosion, and restore organic fertility to soil contaminated by stone slurry and smelting tailings, helping rejuvenate degraded industrial land naturally.

71. (B) I, II and III
Industrial location decisions in Rajasthan are determined by freight expenses on heavy raw materials versus finished goods, power grid availability, and supportive state industrial policies and tax subsidies. However, because Rajasthan is a landlocked state lacking coastline, proximity to marine ports within 50 kilometers is non-existent and irrelevant, making statement IV invalid.

72. (C) Choking drainage systems and sealing soil pores, blocking percolation
Discharging untreated stone slurry into open landscapes causes environmental impacts on local hydrology. Fine suspended calcite and silica particles settle across natural river beds and topsoil, forming an impermeable crust. This hard crust clogs natural drainage channels, blocks surface water percolation, reduces groundwater aquifer recharge rates, and accelerates regional surface runoff.

73. (C) Statement I is correct, but Statement II is incorrect.
The Rajasthan Industrial Development Policy offers capital investment incentives, land allotment relaxations, and interest subsidies to support micro and small mineral processing enterprises. However, private enterprises operate independently, paying statutory mining royalties, GST, and corporate taxes to the state rather than surrendering all operational profits, making statement II entirely incorrect.

74. (A) Issuing environmental clearances to private miners
RSMML is a state public sector mining enterprise dedicated to commercial extraction and marketing of rock phosphate, lignite, gypsum, and limestone. Issuing statutory environmental clearances to mining operators is an administrative regulatory function executed by the Union Ministry of Environment, Forest and Climate Change and the State Pollution Control Board, not RSMML.

75. (B) Clay, feldspar, and quartz
Vitrified ceramic tiles are manufactured by firing a precisely balanced mixture of clay, feldspar, and quartz at elevated temperatures in roller kilns. Ball clay provides essential plasticity during shaping, quartz acts as a structural silica filler to prevent distortion during drying, and

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feldspar serves as a vitrifying flux that melts to form a dense glass matrix.

76. (B) P-3, Q-4, R-1, S-2
Complex lead-zinc sulfide ores are predominantly extracted from the world-class Rampura Agucha mine in Bhilwara district. High-purity ball clay deposits are extensively mined in Bikaner district for ceramic industries. Cement-grade limestone reserves are widely exploited across Chittorgarh district. Major chalcopyrite copper ore reserves and historical mining operations are concentrated around Jhunjhunu district.

77. (A) Sulfuric acid
During pyrometallurgical roasting of copper and lead-zinc sulfide ores at smelting plants in Khetri and Chanderiya, sulfur dioxide gas is captured and converted into concentrated sulfuric acid. This acidic chemical byproduct is supplied directly to nearby fertilizer manufacturing units, where it reacts with rock phosphate to produce single superphosphate and phosphate-based agricultural fertilizers.

78. (C) Plaster of Paris is produced by completely melting gypsum at temperatures exceeding 1000°C.
Plaster of Paris is produced by partially dehydrating raw mineral gypsum through low-temperature calcination at approximately 150°C to 180°C, converting calcium sulfate dihydrate into calcium sulfate hemihydrate. Completely melting gypsum above 1000°C decomposes the mineral into anhydrite and sulfur gas, rendering it unsuitable for plaster production, making statement C factually incorrect.

79. (D) Proximity to Malani igneous suite granitic intrusions, cutting transport costs
The spatial concentration of granite processing units in Jalore and Sirohi is driven by immediate geological proximity to the extensive granitic formations of the Malani igneous suite. Operating processing facilities adjacent to these abundant natural intrusions minimizes high bulk transportation costs associated with moving raw heavy stone blocks from quarry pits to slicing mills.

80. (C) They earn foreign exchange, create vast employment, and support the secondary sector.
Mineral-based industries serve as a crucial economic driver in Rajasthan by transforming raw mineral wealth into manufactured goods. These processing facilities generate widespread direct and indirect employment, feed manufacturing industries including construction and infrastructure, and earn substantial foreign exchange through international exports of polished marble, granite, ceramic tiles, and base metals.

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CHAPTER 15

Major Irrigation and River Valley Projects of Rajasthan

1. Which of the following is considered the most critical natural constraint on the agricultural development of Rajasthan?
(A) Lack of fertile alluvial soils across the state
(B) Low average rainfall and limited perennial surface water resources
(C) Extreme cold weather limiting crop cycles
(D) Over-abundance of dense forest cover restricting cultivable land

2. Which source accounts for the highest percentage of the total irrigated area in Rajasthan?
(A) Canals
(B) Tanks and ponds
(C) Lift irrigation schemes
(D) Tube wells and open wells

3. The Chambal River Valley Project is a joint multi-purpose venture between Rajasthan and which other state, and what is the agreed cost and benefit sharing ratio?
(A) Madhya Pradesh, 50:50
(B) Gujarat, 50:50
(C) Madhya Pradesh, 45:55
(D) Haryana, 60:40

4. Which two structures were completed during the first phase of the Chambal River Valley Project?
(A) Rana Pratap Sagar Dam and Jawahar Sagar Dam
(B) Rana Pratap Sagar Dam and Kota Barrage
(C) Gandhi Sagar Dam and Kota Barrage
(D) Gandhi Sagar Dam and Jawahar Sagar Dam

5. In which district of Rajasthan is the Rana Pratap Sagar Dam located?
(A) Chittorgarh
(B) Kota
(C) Bundi
(D) Sawai Madhopur

6. What is the unique operational characteristic of the Kota Barrage compared to the other three dams in the Chambal series?
(A) It is the only major dam in the network constructed using traditional masonry work
(B) It provides 100 percent of its impounded water supply to the state of Madhya Pradesh
(C) It serves primarily as a flood-control dam without any attached canal network system
(D) It is used exclusively for irrigation and generates no hydroelectric power

7. Arrange the following dams of the Chambal River Valley Project in geographical order from upstream (south) to downstream (north):
1. Jawahar Sagar Dam
2. Rana Pratap Sagar Dam
3. Kota Barrage
4. Gandhi Sagar Dam

(A) 4, 2, 1, 3
(B) 2, 4, 1, 3
(C) 4, 1, 2, 3
(D) 1, 2, 3, 4

8. Consider the following statements regarding the Chambal River Valley Project:
I. It is a joint multi-purpose project of Rajasthan and Madhya Pradesh.
II. The Gandhi Sagar Dam is geographically located in Madhya Pradesh.
III. The Rana Pratap Sagar Dam has the largest water storage capacity among the dams in Rajasthan.
IV. The Jawahar Sagar Dam functions primarily as a pick-up dam.

Which of the above statements are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

9. Match the dams in List I with their respective rivers in List II.
List I: Dam
P. Gandhi Sagar
Q. Bisalpur
R. Jawai

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S. Mahi Bajaj Sagar

List II: River

1. Luni basin
2. Chambal
3. Mahi
4. Banas

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-1, R-4, S-3
(D) P-2, Q-4, R-3, S-1

10. Which of the following statements about the Chambal Canal system is incorrect?
(A) The Right Main Canal provides irrigation exclusively to Madhya Pradesh.
(B) The Left Main Canal provides irrigation to Kota and Bundi districts.
(C) The canal system suffers from issues of waterlogging and soil salinity in the command area.
(D) Both Rajasthan and Madhya Pradesh share the irrigation benefits of the project.

11. The Bisalpur Dam is constructed across which major river of Rajasthan?
(A) Luni
(B) Banas
(C) Chambal
(D) Mahi

12. While the Bisalpur Project is a crucial source of drinking water for several districts, its dedicated agricultural irrigation command area is primarily confined to which district?
(A) Jaipur
(B) Tonk
(C) Ajmer
(D) Dausa

13. Consider the following statements regarding the Bisalpur Project:
I. It is constructed on the Banas River in the Tonk district.
II. It provides irrigation facilities primarily to the Ajmer district.
III. It supplies drinking water to major urban centers including Jaipur and Ajmer.
Which of the above statements is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

14. The Jawai Dam was constructed across the Jawai River, which is a major tributary of which river system?
(A) Sabarmati
(B) Banas
(C) Luni
(D) Mahi

15. The Jawai Dam is located near Sumerpur in which district of Rajasthan?
(A) Jalore
(B) Sirohi
(C) Barmer
(D) Pali

16. Which of the following major irrigation projects is colloquially referred to as the "Amrit Sarovar of Marwar" due to its critical importance in western Rajasthan?
(A) Indira Gandhi Canal
(B) Bisalpur Dam
(C) Jawai Dam
(D) Narmada Canal Project

17. Which of the following describes the most accurate secondary use of the Jawai Dam project in contemporary times?
(A) Supplying bulk hydroelectricity directly to the regional electrical power grid
(B) Supplying critical drinking water to Pali and Jodhpur districts
(C) Acting as a seasonal inland commercial navigation waterway for freight
(D) Diverting water entirely to the Sabarmati river basin for heavy industries

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18. Select the correct chronological order of the initial operationalization of the following major irrigation projects in Rajasthan.
(A) Gang Canal, Jawai Dam, Mahi Bajaj Sagar, Bisalpur Dam
(B) Jawai Dam, Gang Canal, Bisalpur Dam, Mahi Bajaj Sagar
(C) Gang Canal, Mahi Bajaj Sagar, Jawai Dam, Bisalpur Dam
(D) Jawai Dam, Bisalpur Dam, Gang Canal, Mahi Bajaj Sagar

19. Match the irrigation projects in List I with their primary beneficiary districts in List II.

List I: Irrigation Project

P. Sidhmukh-Nohar
Q. Meja Dam
R. Som-Kamla-Amba

S. Bisalpur (Irrigation)

List II: Primary Beneficiary District

1. Bhilwara
2. Dungarpur
3. Hanumangarh
4. Tonk

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-2, S-3

20. Which of the following correctly pairs a river valley project with its primary tribal beneficiary region?
(A) Bisalpur Project - Sahariya tribal populations inhabiting the Baran district
(B) Jawai Dam Project - Garasiya tribal communities settled across Sirohi district
(C) Mahi Bajaj Sagar Project - Bhil and Meena tribes of Banswara and Dungarpur
(D) Sidhmukh-Nohar Project - Kalbelia semi-nomadic communities residing in Churu

21. The Mahi Bajaj Sagar Project is a joint venture between Rajasthan and Gujarat. What is the cost-sharing ratio for the construction of the main dam?
(A) Rajasthan 45 : Gujarat 55
(B) Rajasthan 50 : Gujarat 50
(C) Rajasthan 55 : Gujarat 45
(D) Rajasthan 60 : Gujarat 40

22. In the Mahi Bajaj Sagar agreement, what is Rajasthan's share regarding the hydroelectric power generated from the project?
(A) 45 percent
(B) 50 percent
(C) 55 percent
(D) 100 percent

23. Consider the following statements regarding the Mahi Bajaj Sagar Project:
I. It is named after the prominent freedom fighter Jamnalal Bajaj.
II. It is the longest dam in Rajasthan.
III. It primarily provides irrigation benefits to the arid districts of western Rajasthan.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

24. In which year was the historic Gang Canal completed and inaugurated by Lord Irwin?
(A) 1915
(B) 1935
(C) 1927
(D) 1947

25. The Gang Canal draws its water from which major river?
(A) Ravi
(B) Beas
(C) Chenab
(D) Sutlej

26. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The successful construction of the Gang Canal in 1927 transformed the agricultural landscape of the Bikaner state.
Reason (R): It brought Himalayan river waters to the arid Thar desert region for the first time, establishing the feasibility of large-scale desert irrigation.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

27. The Sidhmukh-Nohar Irrigation Project was formulated to provide irrigation primarily to which two districts of Rajasthan?
(A) Ganganagar and Bikaner
(B) Hanumangarh and Churu
(C) Jaisalmer and Barmer
(D) Sikar and Jhunjhunu

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28. The Sidhmukh-Nohar Project utilizes Rajasthan's share of surplus water allocated from which river system?
(A) Yamuna
(B) Ravi and Beas
(C) Chambal and Banas
(D) Sutlej

29. Consider the following statements regarding the Sidhmukh-Nohar Project:
I. It aims to utilize surplus water from the Ravi and Beas rivers.
II. It provides irrigation primarily to the Hanumangarh and Churu districts.
III. The project was initially implemented with

(A) 2, 4, 1, 5, 3
(B) 2, 1, 4, 3, 5
(C) 4, 2, 1, 5, 3
(D) 2, 4, 5, 1, 3

64. Consider the following statements regarding Water Users Associations (WUAs) in Rajasthan:
I. They are formed under the Participatory Irrigation Management (PIM) approach.
II. Their primary role is to construct major inter-state multi-purpose dams.
III. They are responsible for equitable water distribution and basic maintenance at the minor canal level.
Which of the above statements is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

65. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Water Resources Department of Rajasthan has completely transferred the legal ownership and operational control of major dams like Bisalpur and Kota Barrage to local Water Users Associations.
Reason (R): Participatory Irrigation Management aims to involve farmers in the distribution of water and maintenance at the micro level (minor canals and watercourses).
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

66. Under the Participatory Irrigation Management (PIM) model, routine physical maintenance such as minor desilting and weed clearance of field watercourses is primarily the responsibility of:
(A) The Central Water Commission
(B) The District Collector
(C) The Chief Engineer of the Water Resources Department
(D) The local Water Users Association (farmers)

67. To ensure financial sustainability, Water Users Associations (WUAs) are often authorized to:
(A) Collect water charges (Abiana) from farmers and retain a share for local maintenance
(B) Impose and collect localized income tax surcharges directly from rural businesses operating in command areas
(C) Issue state-backed sovereign municipal revenue bonds to raise capital for large infrastructure expansion
(D) Print and circulate localized official currency strictly reserved for trading regional agricultural goods

68. The structure of a Water Users Association (WUA) is fundamentally:
(A) Autocratic, consisting of executive officers appointed directly by the state's Chief Minister
(B) Corporate, owned and operated for profit by registered private multinational agro-corporations
(C) Democratic, with a managing committee elected by local command area farmers
(D) Bureaucratic, composed exclusively of full-time tenure officers from the state civil services

69. Why is regular desilting recognized as a critical infrastructure maintenance challenge for major canal projects in Rajasthan?
(A) Silt buildup shrinks the canal cross-section, reducing water-carrying capacity
(B) Silt accumulation drastically expands canal volumetric capacity beyond structural limits, causing floods
(C) The process of desilting heavily contaminates shallow local groundwater reserves with toxic heavy metals
(D) Removing accumulated silt systematically damages and destroys structural concrete lining panels permanently

70. Structural deterioration of canal lining over decades typically results in which two simultaneous negative outcomes for agricultural productivity?
(A) Noticeably reduced overall water flow velocity combined with enhanced agricultural soil fertility levels
(B) Substantially increased hydroelectric power generation efficiency along with reduced canal weed growth
(C) Effective long-term prevention of regional floods and significant enhancement of groundwater purity
(D) Tail-end water shortages and head-reach waterlogging

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but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

39. What is Rajasthan's formal percentage share in the Bhakra-Nangal multi-purpose river valley project?
(A) 10.50 percent
(B) 15.22 percent
(C) 20.00 percent
(D) 25.50 percent

40. Under the inter-state agreement for the allocation of Yamuna waters, which two districts of Rajasthan primarily receive irrigation water via the Gurgaon Canal and Bharatpur Canal?
(A) Dholpur and Karauli
(B) Bharatpur and Dholpur
(C) Alwar and Bharatpur
(D) Jaipur and Dausa

41. Select the correct decreasing order of irrigation methods in Rajasthan based on their total irrigated area coverage.
(A) Tube wells and open wells → Canals → Tanks
(B) Canals → Tube wells and open wells → Tanks
(C) Tube wells and open wells → Tanks → Canals
(D) Canals → Tanks → Tube wells and open wells

42. The introduction of intensive canal irrigation in the northern districts of Ganganagar and Hanumangarh has caused a major historical shift from traditional rain-fed crops to which commercial cropping pattern?
(A) Bajra and Moth to Cotton and Wheat
(B) Maize and Jowar to Sugarcane and Rice
(C) Guar and Sesame to Jute and Tea
(D) Isabgol and Cumin to Soybean and Groundnut

43. What is the local term used to describe the severe problem of waterlogging and subsequent soil salinity caused by excessive canal seepage in areas like Badopal (Hanumangarh)?
(A) Khadin
(B) Sem
(C) Johad
(D) Bavdi

44. Geographically, tube well and open well irrigation is most densely concentrated in which region of Rajasthan due to favorable groundwater aquifers?
(A) Western arid plains
(B) Eastern and central plains
(C) Southern tribal belt
(D) Southeastern Hadoti plateau

45. What is the fundamental operational pre-requisite that distinguishes a lift irrigation project from a standard flow canal project?
(A) It mechanically pumps water against natural gravity to higher elevations.
(B) It strictly requires the construction of an earthen embankment rather than concrete structures.
(C) It relies entirely on localized seasonal rainfall runoff rather than flow from perennial rivers.
(D) It restricts all collected water usage strictly to municipal drinking water supply purposes.

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46. Consider the following statements regarding groundwater and canal interactions:
I. Seepage from unlined canals can significantly contribute to the recharge of local shallow aquifers.
II. Excessive canal seepage in parts of western Rajasthan has led to severe waterlogging.
III. Lift irrigation relies entirely on the natural gravity flow of canal seepage water.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

47. Which of the following is NOT an established lift irrigation project associated with the Indira Gandhi Canal Project (IGNP) system?
(A) Kanwar Sen Lift Canal
(B) Gandheli Sahba Lift Canal
(C) Pannalal Barupal Lift Canal
(D) Narmada Lift Canal

48. In the context of Rajasthan's water management, what is meant by the "conjunctive use of water" in a command area?
(A) The simultaneous dual utilization of impounded freshwater exclusively for heavy industrial operations and urban domestic consumption
(B) The systematic agricultural practice of mixing municipal treated wastewater with fresh canal river water prior to crop field application

financial assistance from the European Economic Community.
IV. It operates entirely as a natural gravity flow system without any lift mechanisms to reach high-elevation areas in Churu.
Which of the above statements are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

30. The allocation of surplus water from the Ravi-Beas rivers, which benefits projects like Sidhmukh-Nohar, was adjudicated by which specific tribunal?
(A) Krishna Water Disputes Tribunal for Southern States
(B) Cauvery River Water Disputes Adjudication Tribunal
(C) Eradi Commission (Ravi and Beas Water Tribunal)
(D) Godavari River Water Disputes Adjudication Tribunal

31. Match the minor/medium irrigation projects in List I with their respective districts in List II.
List I: Project
P. Chhapi Project
Q. Orai Project
R. Parwan Project
S. Narayan Sagar
List II: District
1. Chittorgarh
2. Jhalawar
3. Baran
4. Ajmer
(A) P-2, Q-1, R-3, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-1, S-4

32. The Meja Dam, an important medium irrigation project, is constructed across which river to supply water to Bhilwara?
(A) Khari
(B) Mansi
(C) Kothari
(D) Chandrabhaga

33. In which district is the Jakham Dam, one of the highest dams in Rajasthan, situated?
(A) Udaipur
(B) Pratapgarh
(C) Dungarpur
(D) Banswara

34. The Som-Kamla-Amba medium irrigation project is primarily associated with which district?
(A) Banswara
(B) Chittorgarh
(C) Rajsamand
(D) Dungarpur

35. The Panchana Dam, located in the Karauli district, is notable in Rajasthan's irrigation infrastructure for which distinct structural characteristic?
(A) An earthen dam built at the confluence of five river streams
(B) It functions as the largest concrete gravity dam structure in the state
(C) It is designed as the single operational arch dam located in Rajasthan
(D) It was constructed entirely as an irrigation reservoir during the Mughal period

36. The Narmada Canal Project provides water to Rajasthan from the Sardar Sarovar Dam. Which four states are formal partners in this multi-purpose project?
(A) Gujarat, Madhya Pradesh, Rajasthan, and Haryana
(B) Gujarat, Maharashtra, Rajasthan, and Punjab
(C) Gujarat, Madhya Pradesh, Maharashtra, and Rajasthan
(D) Madhya Pradesh, Rajasthan, Uttar Pradesh, and Bihar

37. At which location does the Narmada Canal enter the state of Rajasthan to provide irrigation to Jalore and Barmer?
(A) Silu village, Jalore
(B) Gadra Road, Barmer
(C) Sumerpur, Pali
(D) Sanchore, Jalore

38. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Kota Barrage is unique among the Chambal River Valley Project dams.
Reason (R): It is the only dam in the Chambal series equipped with a large-scale hydroelectric power generation plant.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true

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56. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The implementation of drip and sprinkler irrigation is strongly promoted in the canal-irrigated regions of north-western Rajasthan.
Reason (R): These micro-irrigation methods significantly reduce waterlogging and soil salinization problems caused by traditional flood irrigation.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

57. Which major irrigation project in Rajasthan holds the distinction of being the first in the state where the use of micro-irrigation (sprinkler/ drip) was made completely mandatory for the entire command area?
(A) Bisalpur Project
(B) Mahi Bajaj Sagar Project
(C) Gang Canal Project
(D) Narmada Canal Project

58. The concrete lining of main canals and distributaries in aging projects like the Gang Canal and Chambal network is undertaken primarily to:
(A) Reduce seepage losses and improve water conveyance efficiency
(B) Facilitate the smooth commercial navigation of small cargo boats across districts
(C) Effectively eliminate and prevent the unchecked breeding of invasive aquatic life
(D) Significantly lower the average surface temperature of the rapidly flowing canal water

59. Match the irrigation management concepts in List I with their descriptions in List II.
List I: Concept
P. Warabandi
Q. Command Area
R. Lift Irrigation
S. Canal Seepage
List II: Description
1. Total area capable of being irrigated by a specific project
2. Pumping water to higher elevations against gravity
3. Rotational system of equitable water distribution to farmers
4. Loss of water downward through unlined canal beds
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-2, S-3

60. "Water Use Efficiency" in the context of Rajasthan's agricultural canal networks is best defined as:
(A) The average velocity and speed at which water flows along canals from storage dams to tail-end farmers
(B) The ratio of water used by crops to the total water withdrawn from the source
(C) The maximum total volumetric capacity of water stored in headwork reservoirs throughout monsoon seasons
(D) The net electrical output of hydroelectric power generated per cubic meter of discharged canal water

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61. Which state government department acts as the primary institutional executing agency for the construction, operation, and maintenance of major and medium river valley projects in Rajasthan?
(A) Water Resources Department (WRD)
(B) Department of Agriculture
(C) Public Health Engineering Department (PHED)
(D) Rajasthan State Pollution Control Board

62. In which year was the Rajasthan Farmers' Participation in Management of Irrigation Systems Act passed to legally empower Water Users Associations (WUAs)?
(A) 1985
(B) 1992
(C) 2000
(D) 2012

63. Arrange the typical hierarchical components of a canal irrigation distribution system from the main water source to the farmer's field:
1. Distributary
2. Main Canal
3. Watercourse (Field Channel)
4. Branch Canal
5. Minor Canal

local resort development

(B) They are strictly mandated under international river water sharing treaties to artificially slow down canal flow velocity

(C) The natural topography is higher than the main canal, requiring water to be pumped upwards

(D) They automatically filter out coarse sand and heavy silt deposits before canal water enters main farming fields

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71. The proposed Eastern Rajasthan Canal Project (ERCP), a major future irrigation and drinking water initiative, is designed to utilize surplus monsoon water primarily from the sub-basins of which major river system?
(A) Luni
(B) Chambal
(C) Sabarmati
(D) Mahi

72. The under-construction Parwan Multi-purpose Irrigation Project will primarily benefit the agricultural lands and drinking water needs of which districts in the Hadoti region?
(A) Jodhpur, Jaisalmer, and Barmer
(B) Udaipur, Rajsamand, and Sirohi
(C) Baran, Jhalawar, and Kota
(D) Alwar, Bharatpur, and Dholpur

73. The Isarda Dam project is being constructed to augment the drinking water and irrigation supply of the region. It is situated downstream of which existing major dam?
(A) Rana Pratap Sagar Dam
(B) Mahi Bajaj Sagar Dam
(C) Jawai Dam
(D) Bisalpur Dam

74. Consider the following statements regarding irrigation trends and future proposals in Rajasthan:
I. The Eastern Rajasthan Canal Project (ERCP) is designed to utilize surplus water from the Luni river basin.
II. Tube wells and open wells account for the majority of the net irrigated area in Rajasthan.
III. Tank irrigation is the most dominant form of irrigation in the arid western districts like Jaisalmer.
IV. The promotion of micro-irrigation systems receives substantial government subsidies under PMKSY.
Which of the above statements are INCORRECT?
(A) I and III only
(B) II and IV only
(C) I, II, and III
(D) III and IV only

75. Which among the following is the highest dam in Rajasthan, constructed to provide irrigation facilities to the tribal areas of Pratapgarh?
(A) Mahi Bajaj Sagar Dam
(B) Jakham Dam
(C) Bisalpur Dam
(D) Kota Barrage

76. Which of the following dams holds the distinction of being the longest dam in Rajasthan?
(A) Rana Pratap Sagar Dam
(B) Mahi Bajaj Sagar Dam
(C) Jawai Dam
(D) Gandhi Sagar Dam

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77. Based on comparative district-wise irrigated area data, which district possesses the highest percentage of its net sown area under canal irrigation?
(A) Ganganagar
(B) Barmer
(C) Churu
(D) Jhalawar

78. Identify the incorrect statement regarding the current state of irrigation in Rajasthan.
(A) Micro-irrigation adoption is systematically promoted to increase water use efficiency.
(B) Inter-state river water disputes occasionally delay the optimum utilization of allocated water shares.
(C) Wells and tube wells combined account for less than 30 percent of Rajasthan's total irrigated area.
(D) Over-exploitation of groundwater has resulted in a majority of blocks entering the 'dark' or 'over-exploited' category.

79. The ultimate and most encompassing objective of executing major river valley projects in the arid and semi-arid regions of Rajasthan is to:
(A) Guarantee complete state commercial monopoly over commercial inland fish and aquaculture production
(B) Completely eradicate regional agricultural dependence on groundwater reserves within a single decade
(C) Artificially transform the hyper-arid Thar desert region into a continuous dense tropical rainforest ecosystem
(D) Ensure food security and socio-economic stability by mitigating drought vulnerability

80. Which of the following is the most appropriate description of why lift irrigation projects are an indispensable component of the Indira Gandhi Canal system in western Rajasthan?
(A) They serve primarily as engineered decorative waterfalls to promote desert ecotourism and

tributary within the Luni basin. Mahi Bajaj Sagar Dam spans the Mahi River.

10. (A) The Right Main Canal provides irrigation exclusively to Madhya Pradesh.
The Chambal Canal system originates at Kota Barrage and divides into two primary networks. The Left Main Canal irrigates agricultural fields in Kota and Bundi districts of Rajasthan. The Right Main Canal traverses through Rajasthan's Kota and Baran districts before crossing into Madhya Pradesh, thus providing vital agricultural irrigation to both participating partner states rather than exclusively to one.

11. (B) Banas
The Bisalpur Dam is a major concrete gravity dam constructed across the Banas River near Toda Rai Singh in Tonk district, Rajasthan. Completed in 1999, the dam impounds monsoon runoff from the Banas river basin to supply critical drinking water to urban centers like Jaipur, Ajmer, and Tonk, alongside meeting regional agricultural irrigation requirements.

12. (B) Tonk
Although the Bisalpur Project serves as a vital drinking water lifeline for major urban areas like Jaipur and Ajmer, its dedicated canal-based agricultural irrigation command area is concentrated within Tonk district. Canal networks originating from Bisalpur deliver impounded Banas river water directly to thousands of hectares of farmland situated in various tehsils across Tonk.

13. (B) I and III only
The Bisalpur Project is constructed across the Banas River at Bisalpur village in Tonk district. It functions as a primary drinking water source for large populations in Jaipur, Ajmer, and Tonk districts. However, its dedicated canal system provides irrigation water to agricultural land located in Tonk district, rather than serving Ajmer for agricultural irrigation purposes.

14. (C) Luni
The Jawai Dam is constructed across the Jawai River, which originates in the Aravalli hills of Udaipur district. The Jawai River is one of the largest left-bank tributaries of the Luni river system, which represents the primary ephemeral river basin flowing through the arid and semi-arid south-western regions of western Rajasthan into the Rann of Kutch.

15. (D) Pali
The Jawai Dam is located near Sumerpur town in Pali district, Rajasthan. Commissioned in 1957 under the supervision of Maharaja Umaid Singh of Jodhpur, this masonry structure impounds the seasonal flows of the Jawai River. It stands as the largest dam in western Rajasthan, serving as a vital water reservoir for surrounding arid districts.

16. (C) Jawai Dam
The Jawai Dam is popularly known as the Amrit Sarovar of Marwar due to its indispensable role in sustaining human settlements and agriculture in western Rajasthan. Situated in Pali district, this massive reservoir provides essential drinking water reserves and canal irrigation during dry periods, serving as a lifesaver across the water-scarce Marwar region.

17. (B) Supplying critical drinking water to Pali and Jodhpur districts
While originally constructed primarily for agricultural irrigation, the Jawai Dam has increasingly evolved into a critical drinking water reservoir for western Rajasthan. Owing to expanding urban populations and frequent droughts, its stored water is piped extensively to supply municipal drinking water needs across Pali district and urban centers like Jodhpur, alongside supporting local crop cultivation.

18. (A) Gang Canal, Jawai Dam, Mahi Bajaj Sagar, Bisalpur Dam
The Gang Canal was completed early in 1927 under Maharaja Ganga Singh. The Jawai Dam was commissioned next in 1957 to serve Marwar. The Mahi Bajaj Sagar Project was developed subsequently, with main dam works completed in 1983. Finally, the Bisalpur Dam project across the Banas River was commissioned towards the end of the century in 1999.

19. (A) P-3, Q-1, R-2, S-4
Different regional irrigation projects cater to specific beneficiary districts in Rajasthan. The Sidhmukh-Nohar project delivers water to Hanumangarh and Churu districts. The Meja Dam provides irrigation and municipal water to Bhilwara district. The Som-Kamla-Amba project supplies water to Dungarpur district. The canal

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ANSWERS

1. (B) Low average rainfall and limited perennial surface water resources
Rajasthan faces severe agricultural limitations primarily due to its hyper-arid to semi-arid climatic conditions. The state receives low, highly erratic average annual rainfall alongside extremely high evapotranspiration rates. Furthermore, Rajasthan possesses very sparse perennial surface water resources, containing less than one percent of India's total surface water, making water scarcity the most critical natural barrier to farming.

2. (D) Tube wells and open wells
In Rajasthan, ground water extraction via tube wells and open wells constitutes the largest source of agricultural irrigation. Groundwater accounts for around sixty-eight to seventy percent of the total irrigated area in the state. This heavy reliance is particularly prominent in the eastern and central districts where groundwater aquifers are relatively more accessible compared to western desert regions.

3. (A) Madhya Pradesh, 50:50
The Chambal River Valley Project is an equal joint venture executed between the states of Rajasthan and Madhya Pradesh. Initiated in the 1950s, both participating state governments agreed to share all financial construction costs, maintenance expenditures, irrigation benefits, and total hydroelectric power generation in an exact 50:50 ratio across all executed development phases of the multi-purpose water initiative.

4. (C) Gandhi Sagar Dam and Kota Barrage
Phase one of the Chambal River Valley Project involved the simultaneous construction of the Gandhi Sagar Dam in Madhya Pradesh and the Kota Barrage in Rajasthan. Completed around 1960, Gandhi Sagar established upstream water storage and power generation, while Kota Barrage was developed downstream specifically to divert water into irrigation canal networks across both partner states.

5. (A) Chittorgarh
The Rana Pratap Sagar Dam is located across the Chambal River at Rawatbhata in the Chittorgarh district of Rajasthan. Built during the second phase of the Chambal Valley Project and inaugurated in 1970, this massive masonry dam stores substantial quantities of water, possessing the largest live water storage capacity among all operational dams situated within Rajasthan.

6. (D) It is used exclusively for irrigation and generates no hydroelectric power
Unlike Gandhi Sagar, Rana Pratap Sagar, and Jawahar Sagar dams which are equipped with hydroelectric power generation stations, Kota Barrage serves strictly as an irrigation regulation structure. Built near Kota city, its exclusive function is to pool water released from upstream dams and divert it into the extensive left and right main canal networks for crop cultivation.

7. (A) 4, 2, 1, 3
The Chambal River flows northward from Madhya Pradesh into Rajasthan. Following its natural geographical course from upstream to downstream, the four major structures are positioned in sequence: Gandhi Sagar Dam in Madhya Pradesh, followed by Rana Pratap Sagar Dam in Rawatbhata, Jawahar Sagar Dam in Bundi-Kota, and finally Kota Barrage in Kota city furthest downstream.

8. (D) I, II, III, and IV
The Chambal River Valley Project represents a multi-purpose collaboration between Rajasthan and Madhya Pradesh. Its primary storage reservoir, Gandhi Sagar Dam, is situated in Madhya Pradesh. In Rajasthan, Rana Pratap Sagar Dam provides the largest water storage capacity among state dams, whereas Jawahar Sagar Dam functions mainly as a pick-up dam for discharge regulation and hydroelectric power production.

9. (A) P-2, Q-4, R-1, S-3
Major water infrastructure in Rajasthan is situated across distinct river systems. Gandhi Sagar Dam impounds water on the Chambal River in its upper reaches. Bisalpur Dam is constructed across the Banas River in Tonk. Jawai Dam is built on the Jawai River, a key

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(C) The coordinated and planned use of both surface canal water and groundwater to maximize efficiency and prevent waterlogging
(D) The exclusive regional reliance on traditional rainwater harvesting structures during the active southwest monsoon season period

49. In regions where major canals remain unlined, what is the most common immediate impact on the surrounding agricultural environment?
(A) Rapid and widespread increases in natural soil fertility through topsoil silt deposition
(B) High seepage losses causing local waterlogging and rising water tables
(C) Sudden and drastic drops in the localized water table depth due to soil compaction
(D) Total and permanent eradication of naturally occurring invasive weed species along banks

50. Which of the following statements correctly highlights the historical significance of the Gang Canal?
(A) It was the first canal network across India to be fully lined with concrete masonry during its construction in 1927.
(B) It was funded entirely through direct capital grants provided by the British Crown without Bikaner state financial contribution.
(C) It was engineered and constructed exclusively as a commercial inland navigation route connecting Punjab with Bikaner state.
(D) It inspired the planning of the larger Rajasthan Canal (IGNP) post-independence.

51. What is the primary objective of the Command Area Development Programme (CADP) implemented in Rajasthan's major river valley projects?
(A) To bridge the gap between irrigation potential created and actually utilized
(B) To fund and construct new large-scale multi-purpose storage dams along major inter-state river basins
(C) To permanently resettle and rehabilitate indigenous populations displaced by major dam reservoir construction
(D) To shift the entire agricultural output of the state systematically from traditional food crops to cash crops

52. Consider the following statements regarding the Command Area Development Programme (CADP):
I. It was initiated to reduce the gap between irrigation potential created and utilized.
II. It focuses primarily on the construction of primary storage dams across inter-state rivers.
III. It involves on-farm development works like field channels, land leveling, and shaping.
IV. It promotes equitable distribution of water through rotational water supply systems.
Which of the above statements are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

53. Within the context of irrigation management in Rajasthan, what does the term "Warabandi" specifically refer to?
(A) A rotational system of equitable water distribution among command area farmers
(B) A traditional centuries-old system of rainwater harvesting widely practiced in the Shekhawati region
(C) A direct financial subsidy scheme offered by the state government for buying electric tube well pumps
(D) A mandatory local tax levied on the commercial transport and sale of harvested agricultural produce

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54. On-Farm Development (OFD) works are a crucial component of increasing agricultural productivity in canal areas. Which of the following is NOT typically considered an OFD activity?
(A) Construction of field channels (watercourses)
(B) Land leveling and shaping
(C) Realignment of field boundaries
(D) Construction of the main river barrage

55. Under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) - 'Per Drop More Crop' component, the Government of Rajasthan promotes micro-irrigation. What is the primary method of this promotion?
(A) Legally enforcing a complete state-wide ban on all traditional surface flood irrigation techniques
(B) Providing subsidies to farmers for installing drip and sprinkler systems
(C) Supplying completely free electricity to agricultural landowners for unrestricted groundwater pumping
(D) Directly importing and distributing free high-yielding seed varieties of water-intensive

command area for Bisalpur Dam irrigation is localized within Tonk district.

20. (C) Mahi Bajaj Sagar Project - Bhil and Meena tribes of Banswara and Dungarpur
The Mahi Bajaj Sagar Project in southern Rajasthan was specifically engineered to uplift tribal populations in Banswara and Dungarpur districts. By harnessing the Mahi River, the project provides reliable irrigation and drinking water to agrarian indigenous communities, predominantly belonging to the Bhil and Meena tribes, dramatically transforming the socio-economic condition of this tribal belt.

21. (A) Rajasthan 45 : Gujarat 55
The Mahi Bajaj Sagar Project is a multi-purpose joint initiative executed under an inter-state agreement between Rajasthan and Gujarat. For the primary construction of the main dam located at Banswara, capital expenditure and water allocation were fixed at forty-five percent for Rajasthan and fifty-five percent for Gujarat, reflecting their respective geographic and command benefits.

22. (D) 100 percent
Under the terms of the inter-state agreement governing the Mahi Bajaj Sagar Project, Gujarat shares in water allocation and dam construction costs. However, Rajasthan holds exclusive rights to one hundred percent of the total hydroelectric power generated by power stations established at the Mahi dam site, strengthening the power infrastructure of southern Rajasthan.

23. (A) I and II only
The Mahi Bajaj Sagar Dam, named after freedom fighter Jamnalal Bajaj, spans 3,109 meters, making it the longest dam structure in Rajasthan. Located in Banswara district, it serves the southern tribal regions of Banswara and Dungarpur rather than western desert districts. Therefore, its primary benefit is concentrated in southern Rajasthan's sub-humid tribal landscape.

24. (C) 1927
The Gang Canal was conceptualized by Maharaja Ganga Singh of Bikaner to bring river waters to arid desert lands. Construction began in 1922 and was successfully completed in 1927. The canal system was officially inaugurated on October 26, 1927, by Viceroy Lord Irwin at Ram Singhpura (now Sri Ganganagar), marking a monumental hydrological achievement.

25. (D) Sutlej
The Gang Canal diverts water from the perennial Sutlej River at Hussainiwala headworks near Firozpur in Punjab. It carries this river water through a lined main canal traversing Punjab before entering northern Rajasthan, thereby transforming the hyper-arid soils of Sri Ganganagar district into one of the state's most productive agricultural zones.

26. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The commissioning of the Gang Canal in 1927 revolutionized agriculture in Bikaner state by bringing perennial water from the Sutlej River. This historic engineering feat proved that transferring Himalayan river waters into the arid Thar desert was feasible, laying the foundation for future major desert canal networks, including the Indira Gandhi Canal Project.

27. (B) Hanumangarh and Churu
The Sidhmukh-Nohar Irrigation Project was specifically designed to extend canal irrigation facilities to water-scarce agricultural tracts in northern Rajasthan. The infrastructure project primarily benefits local farmers located across the Nohar and Bhadra tehsils of Hanumangarh district, as well as parts of the Rajgarh and Taranagar tehsils situated within the adjacent Churu district region.

28. (B) Ravi and Beas
The Sidhmukh-Nohar Project utilizes Rajasthan's allocated share of surplus water from the Ravi and Beas rivers. Water is drawn through the Bhakra Main Line and re-routed via feeder channels in Punjab and Haryana to deliver essential surface irrigation to the highly arid farming regions of Hanumangarh and Churu districts in northern Rajasthan state.

29. (A) I, II, and III only
The Sidhmukh-Nohar Project utilizes surplus Ravi-Beas water allocated to Rajasthan and irrigates parts of Hanumangarh and Churu districts. Initially assisted financially by the European Economic Community, the project incorporates lift irrigation systems alongside flow channels to pump water to elevated farming

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terrains in Churu, meaning it does not operate solely through gravity flow.

30. (C) Eradi Commission (Ravi and Beas Water Tribunal)
The allocation of surplus Ravi and Beas river waters among Punjab, Haryana, and Rajasthan was adjudicated by the Ravi and Beas Water Tribunal, commonly known as the Eradi Commission. Formed under federal water dispute legislation, its recommendations established the precise volumetric water share allocated to Rajasthan, directly enabling developmental projects like Sidhmukh-Nohar in the state.

31. (A) P-2, Q-1, R-3, S-4
Medium irrigation projects across Rajasthan cater to regional agricultural needs. The Chhapi Project is located on the Chhapi River in Jhalawar district. The Orai Project provides canal irrigation to Chittorgarh district. The Parwan medium project is developed in Baran district. Narayan Sagar Dam is a key water reservoir situated in Ajmer district.

32. (C) Kothari
The Meja Dam is built across the Kothari River near Meja village, approximately fifteen kilometers from Bhilwara city. Constructed as a medium irrigation project, the dam impounds seasonal stream flow to supply vital drinking water to Bhilwara town while providing canal irrigation to thousands of hectares of arable land in the surrounding countryside.

33. (B) Pratapgarh
The Jakham Dam is located across the Jakham River inside the Sita Mata Wildlife Sanctuary in Pratapgarh district, Rajasthan. Standing at a height of eighty-one meters, it is recognized as the tallest dam structure in Rajasthan. It provides critical irrigation benefits and drinking water to tribal communities residing across Pratapgarh and Dungarpur.

34. (D) Dungarpur
The Som-Kamla-Amba irrigation project is constructed across the Som River, a major tributary of the Mahi River. Located near Kamla and Amba villages, this medium irrigation project primarily serves the tribal-dominated district of Dungarpur, bringing essential canal water to thousands of hectares of agricultural land and drinking water to rural households across the region.

35. (A) An earthen dam built at the confluence of five river streams
The Panchana Dam, situated near Karauli town in Rajasthan, is a prominent earthen dam structure. Its name derives from its location at the confluence of five seasonal rivers or rivulets: Barkheda, Bhadrawati, Macha, Bhainsawat, and Ata. Built with clay embankments, it serves regional irrigation and flood moderation needs across Karauli district territory.

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36. (C) Gujarat, Madhya Pradesh, Maharashtra, and Rajasthan
The Narmada River basin development is an inter-state multi-purpose project centered around the Sardar Sarovar Dam in Gujarat. Four Indian states are constitutional partner beneficiaries in this venture: Gujarat, Madhya Pradesh, Maharashtra, and Rajasthan. Rajasthan receives its designated share of Narmada river waters through a main feeder canal originating from Gujarat state.

37. (A) Silu village, Jalore
The Narmada Main Canal originates from the Sardar Sarovar Dam in Gujarat and enters Rajasthan at Silu village in Sanchore tehsil, Jalore district. From this specific entry point, the major canal system extends water delivery across drought-prone regions of Jalore and Barmer districts, providing vital agricultural irrigation and drinking water supplies.

38. (C) Assertion (A) is true but Reason (R) is false.
The Kota Barrage holds a unique place among Chambal River Valley Project structures because it serves solely as an irrigation divertive barrage without hydroelectric power capabilities. Power generation plants are installed at the other three dams in the series—Gandhi Sagar, Rana Pratap Sagar, and Jawahar Sagar—making the statement regarding Kota Barrage power generation false.

39. (B) 15.22 percent
In the Bhakra-Nangal multi-purpose river valley project, an inter-state venture executed between Punjab, Haryana, and Rajasthan, Rajasthan holds a fixed entitlement share of 15.22 percent. This formal percentage allocation applies directly to both the impounded water volume

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designated for agricultural irrigation and the total hydroelectric power generated across the Bhakra powerhouses.

40. (C) Alwar and Bharatpur
Under the multi-state inter-state agreement for sharing Yamuna river waters, Rajasthan receives allocated water for its north-eastern districts. The Gurgaon Canal (now Okhla Canal system) and the Bharatpur Canal transport Yamuna water to irrigate agricultural lands and fulfill municipal requirements specifically across Alwar and Bharatpur districts in eastern Rajasthan state territory.

41. (A) Tube wells and open wells → Canals → Tanks
In Rajasthan, ground extraction using tube wells and open wells represents the dominant irrigation method, covering over two-thirds of the total irrigated land. Canal irrigation ranks second, driven by major projects like IGNP and Chambal, while traditional tanks and ponds contribute the smallest percentage to the state's total net irrigated area.

42. (A) Bajra and Moth to Cotton and Wheat
Prior to canal networks, northern Rajasthan relied on sparse monsoon rainfall to cultivate drought-hardy coarse grains like Bajra and Moth. The introduction of intensive perennial irrigation through the Gang Canal and IGNP transformed local farming, enabling farmers to transition to lucrative commercial cash crops such as American cotton during Kharif and wheat during Rabi.

43. (B) Sem
In Rajasthan, the term "Sem" refers to severe waterlogging and soil salinization caused by continuous canal seepage and poor drainage in command areas. Towns like Badopal in Hanumangarh suffer heavily from Sem, where rising water tables bring dissolved salts to the surface, rendering thousands of hectares of arable land infertile.

44. (B) Eastern and central plains
Tube well and open well irrigation is densely concentrated in the eastern and central plains of Rajasthan, including districts like Jaipur, Alwar, Bharatpur, and Ajmer. These regions possess favorable alluvial soil deposits and permeable geological strata that yield accessible shallow aquifers, making well drilling economically viable compared to western rocky or desert areas.

45. (A) It mechanically pumps water against natural gravity to higher elevations.
A standard flow canal system relies entirely on natural downward slope and gravity to convey surface water. Conversely, a lift irrigation project is required when target agricultural lands sit at higher topographically elevated levels than the water source, necessitating electric or diesel pumps to mechanically lift water into elevated distribution channels.

46. (A) I and II only
Seepage from unlined surface canals recharges surrounding unconfined shallow aquifers, but excessive seepage in flat desert terrain causes severe waterlogging and soil salinity. Lift irrigation does not depend on natural gravity seepage flow; rather, it uses mechanical pumps to lift water to topographically higher elevations above the main supply channel.

47. (D) Narmada Lift Canal
The Indira Gandhi Canal Project features multiple lift canals designed to pump water to elevated desert terrain, such as Kanwar Sen, Gandheli Sahba, and Pannalal Barupal. In contrast, the Narmada Canal Project operates separately, diverting water from the Sardar Sarovar Dam in Gujarat to serve parts of Jalore and Barmer.

48. (C) The coordinated and planned use of both surface canal water and groundwater to maximize efficiency and prevent waterlogging
Conjunctive use of water in agricultural command areas involves combining surface canal water with localized groundwater resources in a planned manner. This approach optimizes total water availability for crops, prevents waterlogging by pumping down rising water tables along canals, and mitigates salinity risks, ensuring long-term agricultural sustainability in irrigation commands.

49. (B) High seepage losses causing local waterlogging and rising water tables
When major irrigation canals remain unlined, high volumes of surface water continually seep downward through porous earthen beds and embankments into local subsoil strata. Over time, this unmonitored seepage raises water tables

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channel beds. Over time, accumulated silt restricts the canal's cross-sectional area, significantly decreasing its total volumetric water-carrying capacity. Regular desilting is vital to maintain design flow rates and ensure designed water volumes reach downstream and tail-end agricultural fields.

70. (D) Tail-end water shortages and head-reach waterlogging
When canal linings degrade over time, cracks and structural damage cause excessive water seepage near the main outlets. This localized seepage leads to waterlogging and soil salinization in head-reach areas. Simultaneously, excessive water loss along the channel reduces the volume reaching downstream farms, resulting in severe water shortages for tail-end farmers.

71. (B) Chambal
The Eastern Rajasthan Canal Project is a comprehensive water grid project planned to capture surplus monsoon flows from the Chambal River and its sub-basin tributaries, including the Kunnu, Parbati, Kalisindh, and Mej rivers. This harvested water will fulfill long-term drinking and agricultural irrigation needs across thirteen south-eastern and eastern districts.

72. (C) Baran, Jhalawar, and Kota
The Parwan Multi-purpose Irrigation Project involves constructing a dam across the Parwan River, a tributary of the Kalisindh. Situated in the Hadoti region, the project is designed to deliver canal irrigation to thousands of agricultural hectares while providing stable drinking water to numerous villages across Baran, Jhalawar, and Kota districts.

73. (D) Bisalpur Dam
The Isarda Dam project is being constructed across the Banas River in Sawai Madhopur district, situated downstream of the Bisalpur Dam. Designed to capture additional catchment runoff and regulated releases from Bisalpur, Isarda aims to augment drinking water supplies for Jaipur, Sawai Madhopur, and Dausa districts alongside catering to regional irrigation.

74. (A) I and III only
The Eastern Rajasthan Canal Project relies on surplus water from the Chambal river basin, not the Luni basin. In hyper-arid western districts like Jaisalmer, tank irrigation is virtually non-existent due to low rainfall; canal irrigation via the IGNP and deep tube wells dominates. Statements regarding groundwater dominance and micro-irrigation subsidies are correct.

75. (B) Jakham Dam
Standing eighty-one meters high inside the Sita Mata Wildlife Sanctuary, the Jakham Dam is the highest dam structure in Rajasthan. Built across the Jakham River in Pratapgarh district, it was specifically constructed to provide steady irrigation facilities and regional water security to the predominantly tribal agricultural communities living in southern Rajasthan.

76. (B) Mahi Bajaj Sagar Dam
The Mahi Bajaj Sagar Dam, located near Banswara town across the Mahi River, holds the distinction of being the longest dam in Rajasthan, with an embankment length exceeding 3,100 meters. This multi-purpose structure stores major monsoon flows to power hydroelectric generators and supply irrigation channels across southern Rajasthan's tribal tracts.

77. (A) Ganganagar
Sri Ganganagar district possesses the highest proportion of net sown area under canal irrigation in Rajasthan. Benefiting from early infrastructure like the Gang Canal and subsequent expansion via the Indira Gandhi Canal Project, nearly its entire cultivated area relies on surface canal networks, making it the agricultural breadbasket of western India.

78. (C) Wells and tube wells combined account for less than 30 percent of Rajasthan's total irrigated area.
In Rajasthan, ground extraction using tube wells and open wells combined accounts for the vast majority of net irrigated area, exceeding sixty-five to seventy percent state-wide. The statement claiming wells account for under thirty percent is incorrect, as canal networks account for most of the remaining balance alongside minor tank irrigation.

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79. (D) Ensure food security and socio-economic stability by mitigating drought vulnerability
The overarching objective of establishing major river valley projects in arid and semi-arid Rajasthan is to mitigate the severe impact of recurring droughts. By impounding surface water and creating reliable canal networks,

geographical space cultivable under a canal network. Lift irrigation mechanically pumps water up to elevated terrain. Canal seepage involves the downward loss of water through unlined channel beds.

60. (B) The ratio of water used by crops to the total water withdrawn from the source
In agricultural hydrology, Water Use Efficiency measures how effectively diverted water is utilized for crop growth. It is mathematically defined as the ratio of water beneficially consumed by crops through evapotranspiration to the total volume of water withdrawn from the main headwork source, accounting for conveyance and field application losses.

61. (A) Water Resources Department (WRD)
The Water Resources Department of Rajasthan serves as the principal state government agency responsible for planning, designing, constructing, and maintaining all major, medium, and minor surface water projects. It regulates river basin storage, manages extensive canal distribution networks, and oversees water allocation for agricultural, industrial, and municipal uses across Rajasthan.

62. (C) 2000
To legally institutionalize Participatory Irrigation Management, the Rajasthan Legislative Assembly enacted the Rajasthan Farmers' Participation in Management of Irrigation Systems Act in 2000. This landmark legislation formally empowered local farmers by establishing democratic Water Users Associations to manage micro-level canal operations, maintenance, and water scheduling.

63. (A) 2, 4, 1, 5, 3
A typical surface canal distribution hierarchy originates at the headworks and branches downward into smaller channels. Water flows from the Main Canal into Branch Canals, which supply Distributaries. These distributaries feed smaller Minor Canals, which ultimately release water into field-level Watercourses (field channels) serving individual agricultural plots.

64. (B) I and III only
Water Users Associations are established under Participatory Irrigation Management to involve local farming communities directly in water distribution. Operating at the minor canal level, they manage equitable water sharing, clear silt, and perform minor maintenance. Construction of primary dam infrastructure remains under the jurisdiction of state civil engineering departments.

65. (D) Assertion (A) is false but Reason (R) is true.
The state Water Resources Department retains full ownership and control of major headworks, dams, and main canal infrastructure across projects like Bisalpur. Participatory Irrigation Management delegates responsibilities exclusively at the localized micro level, involving farmers in maintaining minor canals, field channels, and water allocation schedules within Water Users Association boundaries.

66. (D) The local Water Users Association (farmers)
Under the Participatory Irrigation Management framework in Rajasthan, routine micro-level operational tasks—such as clearing silt, controlling weeds, and repairing minor structures along localized field channels—are managed by the local Water Users Association. Composed of command area farmers, this collective ensures smooth water conveyance to individual farming plots.

67. (A) Collect water charges (Abiana) from farmers and retain a share for local maintenance
To achieve financial autonomy and sustain local maintenance operations, Water Users Associations in Rajasthan are legally empowered to collect water fees, known as Abiana, directly from command area farmers. They retain an authorized portion of these revenues to fund routine channel repairs, desilting, and administrative expenses at the micro-level.

68. (C) Democratic, with a managing committee elected by local command area farmers
A Water Users Association is structured democratically to represent agrarian interests within a defined canal command area. Its executive managing committee is directly elected by member farmers who hold land in the command area, ensuring transparent decision-making, equitable water allocation, and community accountability in managing micro-level water infrastructure.

69. (A) Silt buildup shrinks the canal cross-section, reducing water-carrying capacity
As river water flows through canal networks, suspended sediment gradually settles onto

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CHAPTER 16

Wasteland and Drought Prone Area Development Projects

NODIA

1. In the context of Rajasthan's land revenue records, which of the following best defines "Culturable Wasteland"?
(A) Land which has never been cultivated due to extreme rocky terrain
(B) Land available for cultivation but not cultivated during the current year and the last five years or more in succession
(C) Land which has been completely rendered useless by extreme salinity
(D) Land which is currently under permanent pastures and cannot be used for any agricultural crop

2. Which of the following is the most prominent cause of wasteland formation in the western arid districts of Rajasthan?
(A) Severe gully erosion by perennial rivers
(B) Waterlogging due to excessive monsoon rainfall
(C) Industrial effluent discharge polluting surface soil
(D) Wind erosion and shifting sand dunes

3. The Desert Development Programme (DDP) was initiated with the primary objective of controlling desertification and restoring ecological balance. In which year was this centrally sponsored programme launched?
(A) 1973-74
(B) 1977-78
(C) 1985-86
(D) 1994-95

4. How many districts of Rajasthan are covered under the Desert Development Programme (DDP)?
(A) 11 districts
(B) 16 districts
(C) 21 districts
(D) 33 districts

5. Match the items in List I with those in List II.
List I: Degradation Problems
P. Severe Gully Erosion
Q. Waterlogging and Secondary Salinity
R. Shifting Sand Dunes
S. Deforestation of Aravali Slopes
List II: Districts/Regions
1. Jaisalmer and Bikaner
2. Kota and Sawai Madhopur
3. Udaipur and Rajsamand
4. Hanumangarh and Sriganganagar
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-4, R-2, S-3

6. The Drought Prone Area Programme (DPAP) in Rajasthan primarily targets which type of climatic zone?
(A) Hyper-arid zones characterized by sparse vegetation
(B) High-altitude and humid mountainous climatic zones
(C) Coastal areas and deltaic saline ecosystem lands
(D) Semi-arid and dry sub-humid regions

7. Consider the following statements regarding the Integrated Watershed Management Programme (IWMP):
I. It was launched by merging the Drought Prone Area Programme (DPAP), Desert Development Programme (DDP), and Integrated Wasteland Development Programme (IWDP).
II. It operates on a funding pattern of 50:50 between the Central and State Governments.
III. It follows a ridge-to-valley approach for soil and water conservation.
Which of the statements given above is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

these projects stabilize agricultural production, protect rural livelihoods, ensure drinking water availability, and promote overall socio-economic regional stability.

80. (C) The natural topography is higher than the main canal, requiring water to be pumped upwards

The western desert terrain along the Indira Gandhi Canal features undulating topography where certain areas lie at higher elevations than the main gravity-flow canal bed. Lift irrigation systems are indispensable in these tracts, utilizing electric pumping stations to raise canal water into elevated distribution channels to irrigate high-lying agricultural lands.

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near the surface, causing extensive waterlogging, capillary accumulation of harmful mineral salts, and degradation of agricultural lands.

50. (D) It inspired the planning of the larger Rajasthan Canal (IGNP) post-independence.
The remarkable success of the Gang Canal, completed in 1927, proved that Himalayan river waters could successfully transform arid desert tracts into thriving agricultural fields. This historic precedent inspired visionary hydrological engineer Kanwar Sen to formulate the proposal for the vast Rajasthan Canal Project (now IGNP) in the late 1940s.

51. (A) To bridge the gap between irrigation potential created and actually utilized
The Command Area Development Programme was established to eliminate the lag between the total irrigation potential created by major dam infrastructure and the actual volume of water effectively utilized in farm fields. It focuses on comprehensive on-farm development, improving field distribution channels, land leveling, and rotational water management.

52. (B) I, III, and IV only
The Command Area Development Programme aims to maximize irrigation efficiency below outlet points. It focuses on micro-level works including constructing field channels, leveling farmland, and enforcing rotational water delivery systems like Warabandi. It does not fund or build major primary storage dams across inter-state river basins, which falls under headworks engineering.

53. (A) A rotational system of equitable water distribution among command area farmers
Warabandi is an institutionalized rotational system of water distribution enforced across canal command areas in northern and western India. Under this system, each farmer along a watercourse receives a predetermined time slot proportional to land holding size to draw water, ensuring equitable distribution among head and tail-end landholders.

54. (D) Construction of the main river barrage
On-Farm Development activities are executed localized within farm boundaries to optimize field water application. Common tasks include constructing field watercourses, land shaping, precision leveling, and realigning boundaries. Constructing major headworks like a main river barrage is a large-scale civil engineering task performed on the river, distinct from on-farm works.

55. (B) Providing subsidies to farmers for installing drip and sprinkler systems
Under the Pradhan Mantri Krishi Sinchayee Yojana - Per Drop More Crop initiative, Rajasthan actively promotes micro-irrigation technologies. The state offers financial subsidies to farmers to offset installation costs for drip and sprinkler irrigation systems, encouraging precise water application, conserving groundwater resources, and increasing agricultural productivity across dryland tracts.

56. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Government agencies strongly encourage micro-irrigation adoption across canal commands in north-western Rajasthan. Traditional surface flood irrigation methods cause severe water seepage, rising water tables, and soil salinization. Drip and sprinkler systems deliver controlled amounts of water directly to crop roots, mitigating waterlogging while significantly maximizing water application efficiency.

57. (D) Narmada Canal Project
The Narmada Canal Project in Rajasthan achieved a major milestone by becoming the first large-scale canal project in India to make micro-irrigation mandatory for its entire command area. Farmers in Jalore and Barmer must utilize drip or sprinkler systems to draw water, preventing waste and ensuring maximal irrigation coverage.

58. (A) Reduce seepage losses and improve water conveyance efficiency
Concrete lining of aging main canals and distributaries in systems like the Gang and Chambal networks is undertaken to seal porous earthen beds. This structural relining drastically minimizes water loss through subsoil seepage, improves flow velocity, prevents waterlogging in adjacent lands, and ensures reliable water delivery to tail-end agricultural fields.

59. (A) P-3, Q-1, R-2, S-4
Key concepts frame canal management in Rajasthan. Warabandi represents a rotational schedule for equitable water distribution among farmers. Command area refers to the total

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8. In watershed development, what is the primary rationale for adopting a "ridge-to-valley" treatment approach?
(A) It provides faster financial returns by developing the valley areas first.
(B) It ensures that deep borewells in the valley are recharged directly from the ridge tops.
(C) It prevents the washing away of soil conservation structures built in the lower reaches.
(D) It allows heavy machinery to move easily from hilltops down to the plains.

9. Which of the following activities is generally NOT permissible as a core component of a watershed development project?
(A) Construction of peripheral check dams and earthen bunds
(B) Promoting social forestry and community pasture development
(C) Digging staggered contour trenches along steep hill slopes
(D) Digging deep tubewells for commercial farming

10. The Central Arid Zone Research Institute (CAZRI), which plays a crucial role in developing technologies for desert reclamation, is located in which district of Rajasthan?
(A) Jodhpur
(B) Bikaner
(C) Jaisalmer
(D) Barmer

11. During periods of severe drought in Rajasthan, the government establishes "Fodder Camps" (Chara Depots). What is the primary objective of these camps?
(A) To distribute free high-yield exotic cattle breeds to farmers
(B) To prevent distress sale and starvation death of livestock
(C) To export excess dry fodder to neighbouring states
(D) To mandate the conversion of agricultural lands into permanent pastures

12. Consider the following statements regarding the causes and management of salinity in Rajasthan:
I. Salinity in the Indira Gandhi Canal command area is primarily caused by excessive irrigation and lack of subsurface drainage.
II. Gypsum application is a standard method to reclaim alkali/sodic soils.
III. Cultivating deep-rooted, water-intensive crops is recommended to reduce soil salinity.
IV. High evaporation rates in western Rajasthan naturally contribute to the upward capillary movement of salts.
Which of the statements given above are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

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13. Tarun Bharat Sangh (TBS), a prominent NGO, has gained international recognition for mobilizing communities to restore degraded lands and recharge groundwater using traditional structures called 'Johads'. In which district of Rajasthan did TBS primarily begin its successful intervention?
(A) Alwar
(B) Jodhpur
(C) Banswara
(D) Churu

14. Which of the following is considered a major challenge in ensuring the long-term sustainability of watershed development projects once the project implementation period is over?
(A) Inadequate initial project funding allocation from the central government
(B) Complete unavailability of technical guidelines during project planning
(C) Poor asset maintenance due to lack of local community ownership
(D) Excessive accumulation of surface runoff leading to severe local floods

15. Select the correct chronological order of the launch of the following area development programmes in India, from earliest to most recent.
(A) Drought Prone Area Programme → Desert Development Programme → Integrated Watershed Management Programme
(B) Desert Development Programme → Integrated Watershed Management Programme → Drought Prone Area Programme
(C) Drought Prone Area Programme → Integrated Watershed Management Programme → Desert Development Programme
(D) Integrated Watershed Management Programme → Desert Development Programme → Drought Prone Area

Programme

16. In the context of sand dune stabilization in western Rajasthan, what is the purpose of erecting "micro-windbreaks" using locally available brushwood?
(A) To capture surface rainwater runoff for immediate domestic consumption
(B) To construct temporary night shelters for migrating local pastoralists
(C) To lower soil-surface wind velocity and protect young saplings
(D) To extract ambient water moisture from surrounding atmospheric humidity

17. Which of the following plant species is most widely promoted for sand dune stabilization and shelterbelt plantation in the arid regions of Rajasthan?
(A) Tectona grandis (Commercial Teak tree)
(B) Prosopis juliflora (Vilayati Babul)
(C) Shorea robusta (Tropical Sal tree)
(D) Mangifera indica (Cultivated Mango tree)

18. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Drought Prone Area Programme (DPAP) places heavy emphasis on in-situ soil moisture conservation.
Reason (R): Semi-arid regions covered under DPAP face acute rainfall variability and periodic dry spells.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

19. Shelterbelt plantations were extensively carried out along the Indira Gandhi Canal. What was the primary technical necessity for this specific afforestation?
(A) To arrest shifting sand dunes from choking and silting the canal
(B) To provide structural timber for building localized canal locks
(C) To prevent canal water loss driven by intense solar radiation
(D) To establish regional wildlife corridors for seasonal animal migration

20. Under the institutional framework of watershed development projects, which body is primarily responsible for the execution of works at the micro-watershed (village) level?
(A) State Level Nodal Agency (SLNA) executive board
(B) District Watershed Cell cum Data Centre (WCDC)
(C) Watershed Committee (WC) at Gram Panchayat level
(D) District Rural Development Agency (DRDA) directorate

21. Which institution has the statutory authority to approve the final Detailed Project Report (DPR) for a micro-watershed project at the village level?
(A) The Gram Sabha
(B) The State Legislative Assembly
(C) The District Collector
(D) The Project Implementing Agency (PIA)

22. Convergence of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) with wasteland development primarily serves which dual purpose?
(A) Eliminating direct agricultural subsidies while expanding formal rural banking networks
(B) Shifting vulnerable rural populations to urban industrial zones while rewilding villages
(C) Privatizing common property land resources while boosting state government tax revenue
(D) Generating wage employment while creating durable natural resource assets

23. Consider the following statements regarding the classification of drought:
I. Meteorological drought is defined solely by a prolonged deficiency of precipitation compared to the long-term average.
II. Hydrological drought occurs when soil moisture is insufficient to support crop production.
III. Agricultural drought is characterized by the depletion of surface and subsurface water resources like lakes and aquifers.
Which of the statements given above are INCORRECT?
(A) I and II only

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(B) II and III only
(C) I and III only
(D) I, II and III

24. According to the Indian Meteorological Department (IMD), a "severe" meteorological drought is declared when the rainfall deficiency in a given region exceeds what percentage of its long-term average?
(A) 10%
(B) 25%
(C) 50%
(D) 75%

25. Which of the following is a classic example of an engineering measure for drought-proofing a vulnerable area?
(A) Introducing drought-resistant seed varieties
(B) Implementing a crop insurance scheme
(C) Reorganizing the rural credit delivery system
(D) Construction of percolation tanks and anicuts

26. Which historical famine in Rajasthan, occurring in 1899-1900 AD, is widely documented for its devastating impact on human and livestock populations, emphasizing the need for organized drought relief?
(A) Chhappanya Akal
(B) Sahasa-Madasa Akal
(C) Panch-Kal
(D) Trisula Akal

27. The development of 'Silvipasture' systems is highly recommended for wasteland reclamation in Rajasthan. What does 'Silvipasture' integrate?
(A) Commercial aquaculture combined with hydroponic vegetable farming
(B) Trees, forage crops, and livestock management
(C) High-density fruit orchard planting combined with apiculture
(D) Recycled urban wastewater treatment for commercial floriculture

28. Match the items in List I with those in List II.
List I: Schemes
P. Integrated Watershed Management Programme (IWMP)
Q. Mahatma Gandhi NREGA
R. State Disaster Response Fund (SDRF) mechanism
S. National Mission for Green India (Afforestation)

List II: Central Administrative Ministry
1. Ministry of Environment, Forest and Climate Change
2. Ministry of Home Affairs
3. Ministry of Rural Development
4. Ministry of Jal Shakti

(A) P-3, Q-3, R-2, S-1
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-2, R-3, S-1

29. Lasiurus sindicus is a highly nutritious and drought-resistant grass vital for fodder security in the arid regions of Rajasthan. By what local name is this grass commonly known?
(A) Sewan
(B) Khas
(C) Munj
(D) Dhaman

30. During severe droughts, pastoralists in western Rajasthan migrate with their livestock herds to neighbouring states in search of water and fodder. This seasonal migration pattern is geographically termed as:
(A) Shifting agriculture
(B) Crop rotation
(C) Transhumance
(D) Mixed farming

31. Consider the following statements regarding the role of NGOs in wasteland development:
I. NGOs often act as Project Implementing Agencies (PIAs) in watershed programs.
II. NGOs assist in capacity building and organizing self-help groups (SHGs).
III. NGOs possess the authority to unilaterally override Gram Sabha resolutions regarding watershed layouts.
IV. NGOs help in ensuring transparency and community mobilization.
Which of the statements given above are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

32. In the structural hierarchy of wasteland development in Rajasthan, which agency is responsible for overseeing and managing watershed projects at the district level?
(A) State Level Nodal Agency (SLNA) Directorate
(B) District Krishi Vigyan Kendra (KVK)

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metropolitan regions
(C) To conduct forestry research for increasing green cover in arid regions
(D) To formulate policies and strictly regulate international commercial timber exports from major ports

65. Consider the following statements regarding grassland development for fodder security in Rajasthan:
I. Rotational grazing helps in the natural regeneration of grasses.
II. Unrestricted, continuous grazing maximizes long-term fodder yields on community pastures.
III. Seeding degraded pastures with high-yielding perennial grass varieties improves carrying capacity.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

66. In the context of government drought relief operations, what constitutes a "Cattle Camp"?
(A) A permanent government-run facility established across arid districts to process livestock for commercial meat production
(B) An organized commercial livestock fair aimed exclusively at wealthy landowners purchasing exotic high-yield dairy cattle breeds
(C) A protected wildlife reserve area established exclusively by state environmental authorities to protect feral desert cattle populations
(D) A facility providing emergency shelter, feed, and care to livestock during droughts

67. The "Desertification and Land Degradation Atlas of India" which maps the extent of wastelands is prepared by which premier institution?
(A) Space Applications Centre (SAC), ISRO
(B) Central Statistical Office (CSO), Ministry of Statistics
(C) Geological Survey of India (GSI), Ministry of Mines
(D) NITI Aayog (National Institution for Transforming India)

68. Match the items in List I with those in List II.
List I: Traditional Water Structures
P. Tanka
Q. Nadi
R. Johad
S. Khadeen
List II: Functional Characteristics
1. Earthen check dam primarily used for groundwater recharge in Alwar region
2. Underground cistern used for storing rainwater for drinking in households
3. Village pond used for collecting surface runoff for communal use
4. Runoff farming system practiced in lower slopes in Jaisalmer
(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-2, R-1, S-4
(C) P-2, Q-1, R-3, S-4
(D) P-1, Q-2, R-4, S-3

69. Which of the following forms the basis for the declaration of drought by the State Government in Rajasthan under the current Drought Management Manual guidelines?
(A) A composite index of rainfall deviation, crop area, vegetation indices, and soil moisture
(B) Informal and purely subjective field assessments submitted periodically by accredited local newspaper journalists
(C) Short-term fluctuations observed in the wholesale agricultural market prices of major commercial cash crops
(D) Overall percentage reduction recorded in quarterly state goods and services tax collections compared to previous years

70. Why is the promotion of agro-horticulture (e.g., planting Ber or Amla with crops) encouraged in the semi-arid wasteland development programs?
(A) It necessitates intensive flood irrigation techniques, compelling local farmers to construct permanent canal networks.
(B) These fruit trees display total biological immunity to all agricultural pests and demand zero seasonal maintenance.
(C) It forms an impenetrable barrier that completely prevents wind currents from entering administrative village boundaries.
(D) It offers supplementary income and buffers against total crop failure during droughts.

71. In terms of watershed boundaries, what does the term "Ridge Line" refer to?
(A) The lowest topographical point in a river valley where surface runoff continuously accumulates
(B) The line separating adjacent drainage basins

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individuals during drought
(D) Monetary compensation paid to insurance companies to settle widespread agricultural crop loss claims

41. Consider the following statements concerning shelterbelt plantations:
I. They are typically planted parallel to the prevailing wind direction to channel the wind faster.
II. They consist of rows of trees and shrubs designed to reduce wind velocity.
III. They help in reducing soil moisture evaporation in the leeward agricultural fields.
Which of the statements given above are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

42. Which international financial institution provided significant external assistance for the afforestation and shelterbelt plantation project along the Indira Gandhi Canal command area?
(A) Overseas Economic Cooperation Fund (OECF) / Japan Bank for International Cooperation (JBIC)
(B) The World Bank
(C) International Monetary Fund (IMF)
(D) Asian Development Bank (ADB)

43. Which of the following is NOT an intended outcome of a successful watershed management programme?
(A) Significant long-term increase in the local groundwater table level
(B) Permanent shift to mono-cropping of water-intensive crops
(C) Substantial reduction in surface runoff and topsoil erosion rates
(D) Marked increase in cropping intensity and overall agricultural productivity

44. What is the most common mechanical method used in western Rajasthan to immediately halt the advance of moving sand dunes before vegetative cover can be established?
(A) Pouring heavy concrete slabs directly over moving dune crests
(B) Constructing brushwood checkerboard barriers
(C) Spraying concentrated chemical soil binders and heavy fertilizers
(D) Excavating dune sand and transporting it to distant dry riverbeds

45. Select the correct order of the institutional hierarchy for the implementation of the Integrated Watershed Management Programme (IWMP) from the State level down to the village level.
(A) SLNA → WCDC → PIA → Watershed Committee
(B) PIA → SLNA → Watershed Committee → WCDC
(C) WCDC → SLNA → PIA → Watershed Committee
(D) SLNA → PIA → WCDC → Watershed Committee

46. The concept of a "Fodder Bank" as a drought-proofing measure implies:
(A) A specialized financial institution providing subsidized micro-loans exclusively for cattle purchase
(B) A state government administrative department dedicated to mapping and registering rural grazing lands
(C) Storing surplus fodder from good rainfall years for drought periods
(D) An international bilateral trade agreement aimed at importing fresh green fodder during dry seasons

47. Which of the following conditions constitutes an "Agricultural Drought"?
(A) When seasonal precipitation in a region matches the historic fifty-year mean average rainfall
(B) When major municipal water reservoirs drop below twenty percent capacity regardless of farm health
(C) When total economic output of manufacturing industries declines due to agricultural raw material shortages
(D) When soil moisture drops low enough to severely reduce crop yields or cause crop failure

48. Match the items in List I with those in List II.
List I: Drought Mitigation Interventions
P. Altering sowing dates of crops
Q. Providing input subsidies to farmers
R. Construction of check dams
S. Establishing early warning weather stations
List II: Categories
1. Engineering/Structural Measure

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2. Technological/Information Measure
3. Agronomic Measure
4. Financial/Policy Measure

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-4, R-3, S-2

49. In the arid regions of Rajasthan, which combination of practices is most appropriate for a farmer to ensure livelihood security during repeated drought cycles?
(A) Intensive commercial cultivation of water-demanding crops like sugarcane and paddy
(B) Combining drought-hardy crops, livestock, and agro-forestry
(C) Sole reliance on continuous deep tubewell extraction for high-water winter wheat farming
(D) Completely abandoning settled farming activities to pursue nomadic hunting and gathering

50. Under the guidelines of watershed development, the 'Watershed Committee' (WC) constituted at the village level must mandatorily include representation from which of the following groups?
(A) Large agricultural landowners holding more than five hectares of land exclusively
(B) Certified civil and technical engineers appointed by the central government only
(C) Representatives from private corporate investment firms operating in the area
(D) Women, landless labourers, and SC/ST community members

51. The "Piplantri" village model in Rajsamand district is famous as a success story of wasteland reclamation and socio-ecological development. What is the unique practice associated with this village?
(A) Planting 111 trees upon the birth of a girl child to reclaim wasteland
(B) Imposing a total ban on all agricultural activities to establish dense wilderness forests
(C) Generating one hundred percent of total village electricity using commercial wind turbine farms
(D) Constructing fully subterranean residential dwellings to withstand extreme desert heat waves

52. Which of the following best defines a 'Catchment Area' in the context of watershed management?
(A) The designated central wholesale market where regional agricultural produce is traded
(B) A densely concretized urban zone that completely prevents subterranean water recharge
(C) The total area draining water into a common outlet
(D) The specific demarcated parcel of common land owned directly by the Gram Panchayat

53. Which central ministry is primarily responsible for the implementation of the Drought Prone Area Programme (DPAP) and the Desert Development Programme (DDP)?
(A) Ministry of Rural Development
(B) Ministry of Agriculture and Farmers Welfare
(C) Ministry of Environment, Forest and Climate Change
(D) Ministry of Jal Shakti

54. Consider the following statements about common causes of soil erosion in Rajasthan:
I. Overgrazing removes the vegetative cover, exposing soil to wind and water.
II. Deforestation in the Aravali hills increases the rate of surface runoff.
III. Adopting contour ploughing accelerates sheet erosion.
IV. Unscientific mining activities contribute to topsoil degradation.
Which of the statements given above are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

55. What is the primary function of the "User Groups" formed during a watershed development project?
(A) To formally audit and inspect the financial accounts of the local Gram Panchayat
(B) To operate and maintain created assets after project completion
(C) To directly sanction and release annual financial grants from the Central Government
(D) To regulate and dictate final wholesale market prices of harvested crop produce

56. The State Disaster Response Fund (SDRF) is the primary fund available with State Governments for responses to notified disasters, including drought. What is the standard central

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government contribution to the SDRF for general category states like Rajasthan?
(A) 25%
(B) 50%
(C) 75%
(D) 100%

57. Identify the odd one out with respect to the vegetative stabilization of sand dunes in Rajasthan.
(A) Acacia tortilis
(B) Prosopis juliflora
(C) Lasiurus sindicus
(D) Water hyacinth

58. Identify the INCORRECT statement regarding the implementation of the Mahatma Gandhi NREGA in the context of drought relief.
(A) Water conservation and water harvesting works are categorized as low-priority works.
(B) It guarantees 100 days of wage employment per household per year, which can be extended during severe droughts.
(C) The scheme serves as an automatic safety net for rural households during agricultural failures.
(D) Gram Panchayats are the principal implementing agencies for most of the works.

59. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Integrated Watershed Management Programme (IWMP) replaced previously separate area development schemes like DPAP, DDP, and IWDP.
Reason (R): A unified, integrated approach was necessary to prevent overlapping of resources and fragmentation of area development efforts.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

60. Drought monitoring in India, which assists states like Rajasthan in drought declaration and management, is primarily coordinated at the national level by which organization/agency using satellite data?
(A) National Bank for Agriculture and Rural Development (NABARD)
(B) Mahalanobis National Crop Forecast Centre (MNCFC)
(C) National Highways Authority of India (NHAI)
(D) Survey of India (SoI)

61. Why is the active participation of the local community considered non-negotiable for the success of wasteland development projects?
(A) Because local knowledge optimizes planning and ensures asset maintenance
(B) Because central administrative departments lack civil engineers required to design micro-structures
(C) Because local community members are legally required to fund one hundred percent of total project costs
(D) Because non-governmental organizations are strictly prohibited from operating in rural districts

62. Which of the following terms is specifically used to describe a prolonged, widespread deficit in surface and groundwater availability, often resulting from successive meteorological droughts?
(A) Socio-economic drought
(B) Agricultural drought
(C) Hydrological drought
(D) Ecological drought

63. "Social Forestry" aims at raising plantations by the common man to meet the growing demand for timber, fuel wood, and fodder. Which specific component of social forestry focuses on planting trees on uncultivated panchayat lands and village commons?
(A) Farm Forestry
(B) Extension Forestry
(C) Commercial Forestry
(D) Community Forestry

64. Identify the correct objective of establishing the Arid Forest Research Institute (AFRI) located in Jodhpur.
(A) To conduct advanced scientific research on deep-sea marine aquaculture production systems
(B) To monitor, regulate, and enforce urban ambient air quality standards across major

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but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

79. Under the MGNREGA scheme, how are works relating to drought-proofing and natural resource management prioritized?
(A) They are strictly prohibited from execution because they mandate the employment of heavy motorized machinery
(B) They are granted approval only when no civil road construction or infrastructure works are available in the district
(C) They are executed exclusively through private commercial contractors without seeking Gram Sabha or village consultation
(D) They form a mandatory, high-priority component of the Gram Panchayat action plan.

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80. The Indira Gandhi Canal Project (IGNP) transformed large parts of wasteland in western Rajasthan into culturable land. However, it also introduced a major secondary wasteland problem in certain command areas. What is this problem?
(A) Severe coastal wave erosion along adjacent marine boundary zones
(B) Excessive clearing and deforestation of dense tropical rainforest canopies
(C) Waterlogging and secondary salinization from poor drainage
(D) Extreme depletion of deep subterranean aquifers caused directly by canal lining

at highest elevations
(C) A deep artificial man-made diversion trench excavated to re-route incoming seasonal floodwaters
(D) The official administrative boundary line separating private cultivated farmland from protected forest reserves

72. Consider the following factors essential for the long-term sustainability of wasteland reclamation projects:
I. Secure funding and corpus for post-project maintenance.
II. Active local leadership and functional Watershed Committees.
III. Immediate privatization of all developed common lands to large corporations.
IV. Convergence with existing rural livelihood schemes.
Which of the statements given above are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

73. Which is considered the most effective long-term strategy for mitigating the impacts of recurrent droughts in Rajasthan?
(A) Relying exclusively on dispatching emergency railway water tankers to dry regions during summer periods
(B) Distributing free emergency food grain rations indefinitely while neglecting long-term natural resource planning
(C) Imposing a statewide legislative ban on all private livestock rearing and animal husbandry operations
(D) Promoting watershed management, afforestation, and water-efficient farming

74. Identify the INCORRECT statement regarding the difference between short-term drought relief and long-term drought proofing.
(A) Providing cash doles is a classic example of a long-term drought-proofing mechanism.
(B) Short-term relief involves immediate measures like operating fodder depots and water tankers.
(C) Long-term drought proofing builds ecological resilience against future rainfall deficits.
(D) Afforestation and rainwater harvesting are core components of long-term drought proofing.

75. Arrange the following administrative steps involved in the execution of a micro-watershed project in their logical sequential order:
1. Preparation of the Detailed Project Report (DPR)
2. Final evaluation and project withdrawal
3. Entry point activities (EPA) to build community trust
4. Execution of natural resource management (NRM) works
Select the correct sequence from the options given below:
(A) $3 \rightarrow 1 \rightarrow 4 \rightarrow 2$
(B) $1 \rightarrow 3 \rightarrow 4 \rightarrow 2$
(C) $3 \rightarrow 4 \rightarrow 1 \rightarrow 2$
(D) $1 \rightarrow 4 \rightarrow 3 \rightarrow 2$

76. The concept of 'Net Sown Area' is distinct from 'Wasteland'. What happens to land classified as 'Current Fallow' if it is left uncultivated for a continuous period of more than five years?
(A) It is automatically converted into forest land.
(B) It gets reclassified as culturable wasteland.
(C) It becomes the private property of the Gram Panchayat.
(D) It is classified as net sown area.

77. Which of the following is NOT an indicator of desertification in a dryland ecosystem?
(A) Proliferation of nutritious indigenous pasture grasses
(B) Continuous and rapid decline in regional subterranean groundwater levels
(C) Marked increase in the overall frequency and severity of localized sand and dust storms
(D) Progressive increase in topsoil salinity, sodicity, and alkalinity concentrations

78. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Cultivating water-guzzling crops like sugarcane is highly discouraged in the DPAP regions of Rajasthan.
Reason (R): DPAP areas are semi-arid with fragile groundwater reserves that cannot sustain high-irrigation agriculture.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true

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driven interventions. Core components include constructing earthen bunds, check dams, contour trenches, social forestry, and pasture regeneration. Extracting deep groundwater using tubewells for commercial farming promotes aquifer depletion and contradicts the core ecological principles of sustainable watershed management and community natural resource conservation.

10. (A) Jodhpur
The Central Arid Zone Research Institute is a premier national research organization located in Jodhpur, Rajasthan. Established in 1959 under the Indian Council of Agricultural Research, CAZRI conducts multidisciplinary scientific research to address land degradation, dune stabilization, soil salinity, wind erosion, integrated farming systems, and sustainable resource management across hot arid regions.

11. (B) To prevent distress sale and starvation death of livestock
During severe drought conditions in arid and semi-arid regions, green and dry fodder resources become scarce. State authorities set up specialized fodder camps and feed depots to supply subsidized or free fodder to rural farmers. This emergency intervention aims directly at preventing starvation deaths among cattle and avoiding distress selling of valuable livestock.

12. (B) I, II, and IV only
Over-irrigation in canal command areas without adequate subsurface drainage causes waterlogging and brings sodium salts to topsoil. Applying gypsum replaces exchangeable sodium with calcium, effectively reclaiming alkali soils. High evaporation accelerates capillary movement of salts. Cultivating deep-rooted, water-intensive crops in saline zones increases waterlogging, whereas salt-tolerant or low-water crops are actually recommended.

13. (A) Alwar
Tarun Bharat Sangh, a non-governmental organization led by Rajendra Singh, initiated its community-led water conservation movement in Alwar district of Rajasthan. The organization mobilized local villagers to construct thousands of traditional earthen structures known as Johads. This massive effort successfully revived dried-up seasonal rivers like Arvari, recharged groundwater tables, and transformed degraded lands.

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14. (C) Poor asset maintenance due to lack of local community ownership
The long-term success of watershed development depends heavily on community participation and post-project asset maintenance. When government funding terminates after project completion, created assets like check dams, bunds, and plantations often suffer from degradation if user groups and local communities lack a sense of ownership or financial mechanisms for regular repairs.

15. (A) Drought Prone Area Programme → Desert Development Programme → Integrated Watershed Management Programme
The Drought Prone Area Programme was launched during 1973-74 to tackle drought impacts in vulnerable rural regions. The Desert Development Programme was subsequently launched in 1977-78 to combat desertification in arid areas. Later, in 2009, the Integrated Watershed Management Programme was introduced by restructuring and consolidating earlier area development initiatives into a unified framework.

16. (C) To lower soil-surface wind velocity and protect young saplings
Micro-windbreaks are constructed by inserting dry brushwood, twigs, or local grass upright into sand dune surfaces in grid or checkerboard patterns. These mechanical barriers decrease wind speed at the ground level, minimize surface sand displacement, stabilize moving dune slopes, and protect newly planted vegetation saplings from being buried or uprooted by wind.

17. (B) Prosopis juliflora (Vilayati Babul)
Prosopis juliflora, commonly known as Vilayati Babul, is an extremely drought-hardy, fast-growing evergreen shrub species extensively utilized for sand dune stabilization and shelterbelt plantations in arid Rajasthan. Its deep taproot system, tolerance to extreme temperature variations, and quick establishment make it ideal for binding loose desert sand and reducing soil erosion.

18. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Semi-arid areas governed under the Drought Prone Area Programme experience high precipitation variability, erratic monsoon

ANSWERS

1. (B) Land available for cultivation but not cultivated during the current year and the last five years or more in succession
In Indian agricultural land use classification, culturable wasteland includes land available for cultivation that has not been cultivated for five consecutive years or more. Such land can be brought under crop production through land reclamation efforts, clearings, or soil improvements. It encompasses fallows, degraded lands, and abandoned fields capable of supporting future agricultural activities.

2. (D) Wind erosion and shifting sand dunes
Western Rajasthan experiences hyper-arid climatic conditions characterized by extremely low rainfall, sparse natural vegetation, and high velocity wind currents. These environmental conditions accelerate wind erosion, leading to the mobilization of sand dunes and severe land degradation. Shifting sand dunes continuously cover fertile topsoil, driving the expansion of vast desert wastelands across arid western districts.

3. (B) 1977-78
The Desert Development Programme was launched in 1977-78 following recommendations from the National Commission on Agriculture. It was initiated as a centrally sponsored scheme targeting both hot and cold arid regions of the country. The central objective was to combat desertification, conserve soil and water, restore ecological balance, and promote sustainable livestock and crop production.

4. (B) 16 districts
The Desert Development Programme covers sixteen hyper-arid and semi-arid districts in Rajasthan to arrest desertification and restore degraded land ecosystems. These districts encompass hyper-arid desert areas, including Jaisalmer, Barmer, Bikaner, Jodhpur, Nagaur, and Churu. Implementation focuses on watershed management, shelterbelt plantation, sand dune stabilization, pasture development, and moisture conservation across these designated arid administrative boundaries.

5. (A) P-2, Q-4, R-1, S-3
Severe gully erosion is heavily concentrated along river basins in Kota and Sawai Madhopur districts. Waterlogging and secondary salinity heavily affect canal-irrigated command areas in Hanumangarh and Sriganganagar. Shifting sand dunes dominate the hyper-arid landscape of Jaisalmer and Bikaner. Deforestation of Aravali slopes primarily degrades the hilly terrains located across Udaipur and Rajsamand districts.

6. (D) Semi-arid and dry sub-humid regions
The Drought Prone Area Programme was initiated to mitigate the impact of drought in semi-arid and dry sub-humid regions of India. These zones experience moderate to high rainfall variability, frequent agricultural dry spells, and land degradation. Scheme activities emphasize in-situ moisture conservation, water harvesting, afforestation, pasture development, and land productivity restoration in non-hyper-arid regions.

7. (B) I and III only
The Integrated Watershed Management Programme was launched in 2009 by integrating earlier schemes, namely DPAP, DDP, and IWDP, under unified national guidelines. It adopts a ridge-to-valley approach for comprehensive soil and moisture conservation. The funding ratio between the Central and State Governments for this program is 90:10 in northeastern/hilly states and 60:40 for other states, not 50:50.

8. (C) It prevents the washing away of soil conservation structures built in the lower reaches.
Adopting a ridge-to-valley approach ensures that rainwater flow and runoff velocity are treated and controlled right from the highest elevation points down to lower drainage lines. Treating upper ridges reduces peak surface runoff, preventing soil erosion and protecting lower conservation structures like check dams, percolation tanks, and anicuts from getting silted or washed away.

9. (D) Digging deep tubewells for commercial farming
Watershed development focuses on soil and water conservation through sustainable community-

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Centre
(C) Watershed Cell cum Data Centre (WCDC)
(D) State Board of Revenue Administration

33. The funding pattern between the Government of India and the State Government for the material component in MGNREGA works (often converged for drought-proofing) is generally maintained at:
(A) 50 : 50
(B) 60 : 40
(C) 75 : 25
(D) 100 : 0

34. What is the fundamental difference between 'Barren and Unculturable Land' and 'Culturable Wasteland' in land use statistics?
(A) Barren land is strictly privately owned, whereas culturable wasteland is owned exclusively by village panchayats.
(B) Barren land includes fallow fields left uncultivated for a single year, whereas culturable wasteland includes high mountain peaks.
(C) There is no fundamental legal or statistical difference; both terms are used interchangeably across all state revenue records.
(D) Culturable wasteland is reclaimable for farming, while barren land cannot be economically cultivated.

35. Arrange the following stages of water erosion, which contribute heavily to wasteland formation, in the correct sequential order of their occurrence:
1. Gully erosion
2. Splash erosion
3. Sheet erosion
4. Rill erosion

Select the correct sequence from the options given below:
(A) $2 \rightarrow 3 \rightarrow 4 \rightarrow 1$
(B) $3 \rightarrow 2 \rightarrow 1 \rightarrow 4$
(C) $2 \rightarrow 4 \rightarrow 3 \rightarrow 1$
(D) $4 \rightarrow 3 \rightarrow 2 \rightarrow 1$

36. Which traditional water harvesting system involves the construction of earthen embankments across the lower slopes of a catchment area, prominently practiced by the Paliwal Brahmins in Jaisalmer to support agriculture?
(A) Baori
(B) Toba
(C) Khadeen
(D) Jhalara

37. Which state tree of Rajasthan plays a vital ecological role in the arid ecosystem by fixing atmospheric nitrogen, providing fodder during droughts, and stabilizing sand dunes?
(A) Prosopis cineraria (Khejri)
(B) Tecomella undulata (Rohida)
(C) Acacia senegal (Kummat)
(D) Ziziphus mauritiana (Ber)

38. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Groundwater depletion significantly exacerbates agricultural drought in the semi-arid regions of Rajasthan.
Reason (R): The majority of the gross irrigated area in semi-arid Rajasthan depends heavily on tube-well and well irrigation.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

39. Identify the INCORRECT statement regarding the Desert Development Programme (DDP).
(A) It was originally initiated based on the key recommendations of the National Commission on Agriculture.
(B) It is confined to western Rajasthan and excludes cold desert regions.
(C) Afforestation, social forestry, and pasture development constitute its central core implementation activities.
(D) Soil and moisture conservation works are systematically executed under this programme using a watershed basis.

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40. In the context of government drought relief schemes, the term "Gratuitous Relief" refers to:
(A) Daily wage payments provided to able-bodied persons working on rural MGNREGA project sites
(B) Financial subsidies given directly to large private industries to prevent widespread worker layoffs
(C) Free assistance to aged, infirm, and destitute

patterns, and prolonged dry spells during crop growth stages. Because surface water resources are limited, retaining moisture directly within soil profiles through bunding, contouring, and mulching becomes vital to sustain crops, validating the focus on in-situ conservation.

19. (A) To arrest shifting sand dunes from choking and silting the canal
The Indira Gandhi Canal passes through hyper-arid desert terrain dominated by high wind speeds and active sand dunes. Establishing multi-row shelterbelt plantations along canal banks creates a dense vegetative barrier. This barrier lowers surface wind velocity, intercepts drifting sand particles, and prevents sand dunes from choking, silting, and blocking canal channels.

20. (C) Watershed Committee (WC) at Gram Panchayat level
At the village micro-watershed level, the execution of physical activities, management of funds, and day-to-day operation are carried out by the Watershed Committee. Constituted by the Gram Sabha and functioning under the Gram Panchayat, this committee ensures local participation, transparent financial operations, and direct community involvement in natural resource management.

21. (A) The Gram Sabha
Under institutional guidelines for watershed development, the Gram Sabha is the ultimate statutory authority at the village level. It reviews, modifies, and approves the Detailed Project Report prepared for micro-watershed implementation. This democratic approval process ensures that planned interventions reflect local community needs, land priorities, and natural resource conservation goals.

22. (D) Generating wage employment while creating durable natural resource assets
Converging MGNREGA with rural wasteland development initiatives combines social safety nets with sustainable environmental management. It provides guaranteed wage employment to vulnerable rural households while directing manual labor toward building public assets like check dams, percolation tanks, shelterbelts, and pasture land. This dual approach enhances rural livelihoods while restoring degraded ecosystems.

23. (B) II and III only
Meteorological drought is characterized by significant precipitation deficit compared to historical normal averages. Agricultural drought occurs when soil moisture and rainfall are inadequate to support healthy crop growth during the growing season. Hydrological drought refers to the depletion of surface and subterranean water storage reserves like aquifers, reservoirs, lakes, and streams.

24. (C) 50%
According to standard classification criteria established by the India Meteorological Department, a meteorological drought is categorized based on seasonal rainfall deficiency relative to long-term normal values. A mild drought is declared when rain deficit is up to 25%, moderate between 26% and 50%, and severe when seasonal rainfall deficit exceeds 50%.

25. (D) Construction of percolation tanks and anicuts
Drought-proofing measures are divided into engineering, agronomic, and policy interventions. Engineering or structural measures involve physical construction activities aimed at capturing surface runoff and recharging aquifers. Constructing check dams, percolation tanks, contour bunds, and anicuts fall into this structural category, whereas crop selection and insurance represent agronomic and policy tools.

26. (A) Chhappanya Akal
The devastating famine of 1899-1900 AD in Rajasthan is historically known as Chhappanya Akal because it occurred in Vikram Samvat 1956. Characterized by severe failure of rainfall leading to acute shortage of food grains, water, and fodder, it caused massive loss of human lives and livestock, highlighting the necessity of systematic drought relief.

27. (B) Trees, forage crops, and livestock management
Silvipasture is an integrated agroforestry practice that systematically combines trees or woody perennials with grass forage crops and livestock production on the same land unit. In degraded land areas, this system improves soil fertility through nitrogen fixation, reduces wind erosion, enhances land productivity, and provides a continuous supply of fodder and timber.

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28. (A) P-3, Q-3, R-2, S-1
The Integrated Watershed Management Programme and Mahatma Gandhi NREGA are administered by the Ministry of Rural Development. The State Disaster Response Fund framework is monitored under the administrative oversight of the Ministry of Home Affairs. The National Mission for Green India is executed directly under the Ministry of Environment, Forest and Climate Change.

29. (A) Sewan
Lasiurus sindicus is locally known as Sewan grass in the arid regions of Rajasthan. It is a highly nutritious, drought-hardy, deep-rooted perennial pasture grass species naturally adapted to extreme desert conditions with low rainfall. Sewan grass plays a crucial role in sand dune stabilization, pastureland development, and livestock fodder security.

30. (C) Transhumance
Transhumance is the seasonal movement of pastoralists and their livestock herds between fixed summer and winter regions or in search of pasture and water. In arid western Rajasthan, recurring drought cycles compel pastoral communities to migrate along traditional routes toward neighbouring states with higher fodder availability, ensuring herd survival during dry periods.

31. (B) I, II, and IV only
Non-governmental organizations play a vital role in watershed management as Project Implementing Agencies, facilitating community mobilization and establishing Self-Help Groups. They foster transparency, build grassroot capacities, and encourage participatory decision-making. However, statutory power resides with democratic local bodies, meaning NGOs cannot unilaterally override or nullify decisions approved by the Gram Sabha.

32. (C) Watershed Cell cum Data Centre (WCDC)
At the district level, the Watershed Cell cum Data Centre operates as the primary nodal agency under the Zila Parishad or DRDA. It oversees, coordinates, monitors, and evaluates all watershed management projects across the district. The WCDC processes financial releases, technical sanctions, and project reports generated by micro-level watershed implementation bodies.

33. (C) 75 : 25
Under the Mahatma Gandhi National Rural Employment Guarantee Scheme framework, the wage component for unskilled manual labor is fully borne by the Central Government. For the material component and skilled wages, funding is shared between the Central Government and State Governments in a 75:25 ratio across general state categories including Rajasthan.

34. (D) Culturable wasteland is reclaimable for farming, while barren land cannot be economically cultivated.
In land revenue classification, barren and unculturable land includes steep rocky slopes, deserts, and bare rocks that cannot be brought under cultivation except at exorbitantly high costs. In contrast, culturable wasteland includes land that has lain fallow for over five years but possesses inherent capability to be reclaimed for farming.

35. (A) $2 \rightarrow 3 \rightarrow 4 \rightarrow 1$
Water erosion progresses through four distinct stages. Raindrop impact first causes splash erosion by detaching soil particles. As water accumulates, sheet erosion uniformly removes thin topsoil layers. Concentrated overland flow creates small channels called rills, initiating rill erosion. Eventually, expanding rills enlarge into deep channels, culminating in severe gully erosion.

36. (C) Khadeen
Khadeen is a traditional runoff agricultural system developed in the fifteenth century by Paliwal Brahmins of Jaisalmer. It consists of an earthen embankment constructed across low-lying valley slopes to capture seasonal surface runoff. Retained runoff saturates the soil and deposits fertile silt, enabling rich post-monsoon rabi cultivation without supplementary artificial irrigation.

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37. (A) Prosopis cineraria (Khejri)
Prosopis cineraria, officially designated as the state tree of Rajasthan, is known as Khejri or the Kalpvriksha of the desert. This deep-rooted leguminous tree fixes atmospheric nitrogen, enriches topsoil, reduces wind velocity, and stabilizes loose sand dunes. Its foliage provides nutritious fodder during severe droughts, making it essential for arid agro-ecosystems.

38. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
In semi-arid Rajasthan, surface water availability is limited, forcing agricultural production to rely heavily on open wells and deep tube-wells. Over-exploitation of aquifers lowers groundwater tables drastically. When monsoons fail, depleted subterranean water reserves cannot buffer irrigation needs, intensifying soil moisture deficits and directly escalating the severity of agricultural droughts.

39. (B) It is confined to western Rajasthan and excludes cold desert regions.
The Desert Development Programme is a comprehensive centrally sponsored scheme that targets both hot arid zones and cold desert regions of India. Besides hot desert districts of western Rajasthan, Gujarat, and Haryana, DDP specifically covers high-altitude cold desert regions such as Leh and Kargil in Ladakh, as well as Lahaul-Spiti and Kinnaur in Himachal Pradesh.

40. (C) Free assistance to aged, infirm, and destitute individuals during drought
Gratuitous Relief refers to humanitarian financial or material assistance provided directly by government agencies to vulnerable, aged, infirm, disabled, and destitute individuals during severe natural calamities like droughts. Unlike employment relief schemes requiring physical labor, gratuitous relief offers non-repayable unconditional support to individuals incapable of engaging in manual wage work.

41. (B) II and III only
Shelterbelt plantations consist of systematically designed rows of trees and tall shrubs planted perpendicular, rather than parallel, to prevailing wind directions. Planting across wind currents creates an effective physical barrier that significantly reduces wind velocity, stabilizes soil particles against erosion, and reduces soil moisture evaporation rates in adjacent sheltered cropland fields.

42. (A) Overseas Economic Cooperation Fund (OECF) / Japan Bank for International Cooperation (JBIC)
The Overseas Economic Cooperation Fund of Japan, which later reorganized into the Japan Bank for International Cooperation, provided major external financial assistance for afforestation and pasture development along the Indira Gandhi Canal command area. This bilateral funding supported extensive sand dune stabilization, canal-side shelterbelt plantations, and green belt establishment across desert districts.

43. (B) Permanent shift to mono-cropping of water-intensive crops
Watershed management aims to conserve soil moisture, check topsoil erosion, enhance vegetation cover, and recharge groundwater tables. These interventions lead to higher crop yields and increased cropping intensity. Shifting permanently to mono-cropping of water-demanding crops depletes restored groundwater reserves and increases ecological vulnerability, directly contradicting the fundamental sustainability goals of watershed management.

44. (B) Constructing brushwood checkerboard barriers
Before vegetative stabilization can take root on active sand dunes, mechanical barriers must be erected to halt dune movement. Constructing brushwood checkerboard barriers involves planting dry twigs or brushwood in small square grids across dune surfaces. This structure disrupts ground-level wind currents, traps drifting sand, and stabilizes dune slopes effectively.

45. (A) SLNA → WCDC → PIA → Watershed Committee
The institutional framework for implementing watershed projects follows a defined hierarchy from state down to grassroot levels. At the state level, the State Level Nodal Agency oversees policy. District management is handled by the Watershed Cell cum Data Centre. Project guidance is provided by the Project Implementing Agency, and village execution occurs through the Watershed Committee.

46. (C) Storing surplus fodder from good rainfall years for drought periods
A Fodder Bank is a strategic drought-proofing intervention involving the collection, processing, and long-term storage of surplus green or dry fodder produced during years of normal or abundant rainfall. Stored fodder reserves are preserved in regional storage depots to ensure continuous, subsidized feed supply for livestock

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65. (C) I and III only
Grassland regeneration requires adopting rotational grazing to give vegetation time to recover and naturally reseed. Overseeding degraded common pastures with high-yielding perennial drought-resistant grass varieties like Sewan and Dhaman significantly enhances biomass yield and carrying capacity. Unrestricted continuous grazing accelerates topsoil erosion, destroys palatable plant species, and severely degrades community pastures.

66. (D) A facility providing emergency shelter, feed, and care to livestock during droughts
During periods of severe drought and acute fodder deficiency, state governments establish temporary cattle camps in affected rural districts. These specialized facilities provide emergency shelter, green and dry fodder, drinking water, and veterinary health support to vulnerable livestock herds, preventing widespread livestock mortality and supporting pastoral livelihoods during extreme climate stress.

67. (A) Space Applications Centre (SAC), ISRO
The Space Applications Centre, an integral unit of the Indian Space Research Organisation located in Ahmedabad, prepares the Desertification and Land Degradation Atlas of India. SAC utilizes high-resolution satellite remote sensing data and geospatial mapping techniques to monitor, quantify, and map land degradation trends and desertification status across all Indian states.

68. (A) P-2, Q-3, R-1, S-4
A Tanka is an underground masonry cistern designed for harvesting household drinking water. A Nadi is a village surface pond collecting rainwater runoff for community usage. A Johad is an earthen check dam engineered for groundwater recharge in Alwar. A Khadeen is a traditional runoff agricultural farming system on lower valley slopes in Jaisalmer.

69. (A) A composite index of rainfall deviation, crop area, vegetation indices, and soil moisture
Under the official Manual for Drought Management, declaring a drought requires evaluating a composite set of scientific indicators. State authorities analyze rainfall deviation matrix, crop sown area reduction, normalized difference vegetation index from satellite imagery, and soil moisture dryness levels. Combining these multi-sectoral parameters ensures objective assessment of drought severity across affected administrative units.

70. (D) It offers supplementary income and buffers against total crop failure during droughts
Promoting agro-horticulture by integrating drought-hardy fruit trees like Ber, Amla, and Pomegranate with annual field crops provides economic and ecological stability in drylands. Hardy fruit trees have deep root systems capable of producing yields during severe rainfall deficits, serving as a reliable income buffer for farmers when seasonal field crops fail completely.

71. (B) The line separating adjacent drainage basins at highest elevations
In watershed topography, a ridge line represents the elevated natural boundary line connecting the highest points of elevation surrounding a catchment area. It physically separates the drainage basin from adjacent watersheds. Rain falling on one side of the ridge line drains into its respective watershed, making the ridge line the top boundary line.

72. (B) I, II, and IV only
Long-term sustainability of wasteland reclamation relies on secure maintenance funds, functional local Watershed Committees, and convergence with national livelihood programs like MGNREGA. These elements ensure continuous asset maintenance, strong grassroot leadership, and sustained socio-economic benefits. Privatizing developed common property lands to private corporations marginalizes vulnerable rural communities and undermines equitable land access.

73. (D) Promoting watershed management, afforestation, and water-efficient farming
Long-term drought mitigation requires building ecological resilience through comprehensive watershed treatment, expansive afforestation, rainwater harvesting, and adopting micro-irrigation systems like drip and sprinkler networks. While emergency relief offers temporary immediate comfort, systematic natural resource conservation restores aquifers, prevents topsoil erosion, and secures sustainable agricultural productivity against recurring dry spells in arid regions.

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sustainably after formal project implementation concludes and government intervention ends.

56. (C) 75%
The State Disaster Response Fund is established under the Disaster Management Act, 2005, to meet emergency expenditure for immediate disaster relief. For general category states, including Rajasthan, the Central Government contributes 75% of total annual allocations, while the State Government contributes 25%. For Himalayan and northeastern states, the central share is 90%.

57. (D) Water hyacinth
Acacia tortilis, Prosopis juliflora, and Lasiurus sindicus are drought-tolerant, deep-rooted xerophytic plants highly effective for stabilizing drifting sand dunes in arid environments. Water hyacinth is an invasive aquatic macrophyte that thrives exclusively in freshwater bodies like lakes and ponds, making it entirely unsuited for vegetative stabilization of dry desert sand dunes.

58. (A) Water conservation and water harvesting works are categorized as low-priority works.
Under MGNREGA implementation guidelines, natural resource management and water conservation works, such as check dams, percolation tanks, and pond desilting, are categorized as top-priority activities. These works focus on building durable ecological assets to combat drought, enhance soil moisture, and improve groundwater recharge across rural landscapes during periods of agricultural distress.

59. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Prior to 2009, area development programs like DPAP, DDP, and IWDP operated independently, causing fragmented implementation, overlapping administrative boundaries, and resource inefficiencies. Consolidating these separate initiatives into the Integrated Watershed Management Programme ensured a unified, holistic watershed treatment strategy, optimizing public funds and establishing synchronized natural resource management across rural India.

60. (B) Mahalanobis National Crop Forecast Centre (MNCFC)
The Mahalanobis National Crop Forecast Centre, operating under the Ministry of Agriculture and Farmers Welfare, acts as the nodal agency for national drought assessment. MNCFC integrates space-based remote sensing data, weather parameters, vegetation condition indices, and soil moisture estimations to monitor agricultural drought and assist state governments in timely drought declarations.

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61. (A) Because local knowledge optimizes planning and ensures asset maintenance
Active community participation is essential for successful wasteland development because local inhabitants possess traditional knowledge regarding topography, water flow, and climate conditions. Involving the local population ensures that conservation interventions align with local socio-economic needs, fosters grassroot ownership, and guarantees long-term post-project operation and maintenance of created natural resource structures.

62. (C) Hydrological drought
Hydrological drought refers to a prolonged period of dry weather that causes significant shortages in surface and subterranean water reserves. It manifests through depleted river discharge, dried-up lakes, low reservoir levels, and falling groundwater tables. Hydrological drought usually develops after extended meteorological droughts, severely impacting water supply for drinking and irrigation.

63. (D) Community Forestry
Community forestry is a core branch of social forestry where tree planting and management activities are carried out collectively on common property resources, such as panchayat lands, village grazing grounds, and public common lands. Its principal aim is to benefit the community by providing fuelwood, fodder, timber, and environmental stabilization.

64. (C) To conduct forestry research for increasing green cover in arid regions
The Arid Forest Research Institute, located in Jodhpur under the Indian Council of Forestry Research and Education, was established to undertake scientific forestry research. Its primary mandate is developing technologies to conserve biodiversity, arrest desertification, stabilize sand dunes, restore degraded wastelands, and expand green vegetation cover across arid and semi-arid regions.

20. Which is the longest lift canal in the Indira Gandhi Canal Project system, primarily fulfilling the drinking water needs of Bikaner city?
(A) Dr. Karni Singh Lift Canal
(B) Chaudhary Kumbharam Lift Canal
(C) Veer Teja Lift Canal
(D) Kanwar Sen Lift Canal

21. The Rajiv Gandhi Lift Canal was specifically designed and constructed to resolve the severe drinking water crisis in which major city of Rajasthan?
(A) Jaisalmer
(B) Barmer
(C) Jodhpur
(D) Nagaur

22. Identify the incorrect statement regarding the agricultural transformation brought about by the IGCP.
(A) The area has seen a shift from traditional subsistence farming to commercial cash crops.
(B) The cropping intensity in the command area has drastically decreased due to excessive moisture.
(C) Cultivation of water-intensive crops like paddy and cotton has been introduced in the desert.
(D) Traditional drought-resistant crops like bajra and jowar have been largely replaced by wheat and mustard in irrigated tracts.

23. Consider the following statements concerning the socio-economic impact of the IGCP:
I. It led to the establishment of new planned agricultural settlements known as "Chaks".
II. It caused a significant devaluation of agricultural land in the command area.
III. It triggered the in-migration of agricultural laborers and farmers from neighboring states.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) I, II and III
(D) Only I and III

24. Which water-sharing agreement or treaty fundamentally secured the allocation of the Ravi and Beas river waters for the Rajasthan Canal Project?
(A) The Indus Water Treaty (1960)
(B) The Ganges Water Treaty (1996)
(C) The Yamuna Accord (1994)
(D) The Narmada Water Disputes Award (1979)

25. Which of the following native desert plant species has suffered significant habitat loss and decline due to the increased soil moisture and agricultural expansion from the IGCP?
(A) Eucalyptus tree species
(B) Water Hyacinth aquatic plant
(C) Sewan Grass
(D) Prosopis juliflora shrub

26. Select the correct North-to-South geographical arrangement of the following branches of the Indira Gandhi Main Canal.
1. Suratgarh Branch
2. Pugal Branch
3. Dattor Branch
4. Sagarmal Gopa Branch
(A) 1, 2, 3, 4
(B) 4, 3, 2, 1
(C) 1, 3, 2, 4
(D) 2, 1, 4, 3

27. The term "Aapni Yojana", implemented with the assistance of Germany, is related to which aspect of the IGCP?
(A) Providing heavily subsidized agricultural tractors to farmers operating in the command area.
(B) Lining the entire length of the main canal with concrete structures to prevent water seepage.
(C) Eradicating the severe Sem waterlogging problem through extensive bio-drainage plantations.
(D) Supplying safe drinking water to villages in Churu, Hanumangarh, and Jhunjhunu.

28. Read the given Assertion (A) and Reason (R) statements carefully and select the correct option.
Assertion (A): The secondary salinization of soil is a growing agricultural threat in the IGCP command areas.
Reason (R): Over-irrigation in arid regions with high evaporation rates draws underground salts to the surface through capillary action.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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74. (A) Providing cash doles is a classic example of a long-term drought-proofing mechanism.
Providing cash doles, emergency food packets, and operating temporary water tankers are classic examples of short-term drought relief measures designed to offer immediate survival assistance. In contrast, long-term drought proofing involves structural and ecological interventions, such as watershed management, afforestation, check dam construction, and rainwater harvesting, which build long-term climate resilience.

75. (A) 3 → 1 → 4 → 2
Executing a micro-watershed project begins with Entry Point Activities to build trust and mobilize the local community. This is followed by preparing the Detailed Project Report through participatory planning. Next, natural resource management works like check dam construction and afforestation are physically executed. Finally, post-project evaluation is conducted prior to formal withdrawal.

76. (B) It gets reclassified as culturable wasteland.
In standard agricultural land utilization statistics, land classified as current fallow includes cropped areas left uncultivated for a single agricultural year. Fallow lands left unseeded between one and five years are categorized as other fallow. However, when agricultural land remains uncultivated continuously for more than five years, revenue records reclassify it as culturable wasteland.

77. (A) Proliferation of nutritious indigenous pasture grasses
Desertification is characterized by land degradation in drylands resulting from climatic variations and human activities. Prominent biophysical indicators include rapid depletion of groundwater tables, increased frequency of dust storms, topsoil loss, and accumulation of soil salinity or sodicity. The proliferation of nutritious indigenous pasture grasses reflects ecological recovery and pasture health, not desertification.

78. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Regions designated under the Drought Prone Area Programme possess semi-arid climates, erratic monsoon rain fall, high evapotranspiration rates, and fragile underground aquifers. Cultivating water-demanding crops like sugarcane rapidly exhausts limited water reserves, leading to groundwater depletion and soil degradation. Consequently, agricultural policies strictly discourage water-intensive monocultures in these water-stressed environments to safeguard groundwater resources.

79. (D) They form a mandatory, high-priority component of the Gram Panchayat action plan.
Under the operational framework of MGNREGA, natural resource management activities focus directly on public asset creation for drought-proofing. Works such as check dam construction, pond desilting, shelterbelt afforestation, and contour bunding form a mandatory high-priority category in the annual Gram Panchayat development plan, ensuring sustainable land and water management across rural villages.

80. (C) Waterlogging and secondary salinization from poor drainage
While the Indira Gandhi Canal brought canal irrigation to arid western Rajasthan, excessive surface watering, unlined field channels, and inadequate drainage systems led to rising water tables. Subsurface water accumulation causes acute waterlogging in low-lying command areas. Subsequent capillary action evaporates water, bringing dissolved salts to topsoil, causing secondary soil salinization and land degradation.

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during subsequent drought events and fodder deficit periods.

47. (D) When soil moisture drops low enough to severely reduce crop yields or cause crop failure
Agricultural drought specifically describes a scenario where soil moisture availability falls below the critical threshold required to sustain healthy crop growth throughout various phenological stages. It occurs due to extended dry spells or deficient monsoon precipitation, resulting in severe crop wilting, reduced biomass formation, substantial yield loss, or complete crop failure across agricultural lands.

48. (A) P-3, Q-4, R-1, S-2
Altering crop sowing dates is an agronomic adaptation measure to manage shifting rainfall patterns. Providing agricultural input subsidies represents a financial or policy measure to assist farmers during stress. Building check dams is a structural engineering intervention for runoff storage. Deploying weather stations serves as a technological and information measure for early climate warning systems.

49. (B) Combining drought-hardy crops, livestock, and agro-forestry
In arid and drought-prone landscapes, relying on water-guzzling monocultures leads to crop failure during rainfall deficits. Integrating drought-tolerant crops, agroforestry trees like Khejri, and animal husbandry provides a resilient, diversified livelihood system. Livestock provides steady income through milk and manure, while deep-rooted trees yield fodder and timber during acute crop failures.

50. (D) Women, landless labourers, and SC/ST community members
Watershed guidelines mandate equitable social inclusion in project decision-making structures. The Watershed Committee constituted by the Gram Sabha must systematically represent vulnerable sections, including women, landless agricultural workers, marginal farmers, and Scheduled Caste and Scheduled Tribe members. This inclusive composition ensures that natural resource assets benefit the broader community rather than privileged landowners alone.

51. (A) Planting 111 trees upon the birth of a girl child to reclaim wasteland
Piplantri village in Rajsamand district gained global acclaim for its community-driven eco-feminism initiative. Whenever a girl child is born in the village, residents collectively plant 111 trees on common wasteland and set aside a fixed deposit for her future. This practice has successfully reclaimed hundreds of hectares of degraded land while promoting eco-restoration and gender equality.

52. (C) The total area draining water into a common outlet
A catchment area, also referred to as a drainage basin or watershed, is a topographically defined land area where all surface runoff resulting from precipitation converges into a single common outlet, such as a river, stream, lake, or reservoir. Managing this entire hydrological unit is essential for effective soil and water conservation.

53. (A) Ministry of Rural Development
The Ministry of Rural Development, through its Department of Land Resources, serves as the primary central ministry responsible for implementing major area development programs including DPAP, DDP, and IWDP. These schemes were later integrated into the Watershed Development Component of Pradhan Mantri Krishi Sinchayee Yojana, maintained under the same administrative ministry.

54. (B) I, II, and IV only
Overgrazing strips protective grass cover, leaving topsoil vulnerable to wind and rain detachment. Deforestation along Aravali ridges accelerates slope surface runoff and soil loss. Unscientific stone mining destroys topsoil layers. In contrast, contour ploughing across slope contours reduces runoff velocity and mitigates sheet erosion, rather than accelerating soil degradation across agricultural fields.

55. (B) To operate and maintain created assets after project completion
User Groups are community-based informal bodies formed during watershed projects, comprising local inhabitants who directly derive benefits from specific assets like check dams, percolation tanks, or common pasture lands. Their primary responsibility is operating, maintaining, and managing these created assets

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III. The terrain in this stage was relatively less undulating compared to Stage II.

Which of the above statement(s) is/are correct?

(A) Only I and II
(B) Only II and III
(C) I, II and III
(D) Only I and III

12. Which of the following districts does NOT fall under the direct command or drinking water beneficiary area of the Indira Gandhi Canal Project?

(A) Churu
(B) Pratapgarh
(C) Barmer
(D) Jhunjhunu

13. Which of the following represents the primary function of the Rajasthan Feeder Canal component of the IGCP?

(A) To distribute water equally between Punjab and Haryana prior to its entry into Rajasthan territory.
(B) To provide direct irrigation benefits exclusively to the Ganganagar agricultural district area.
(C) To carry water to the main canal with minimal transit loss without irrigation along its route.
(D) To recharge the regional underground aquifer system located along the eastern Aravalli foothills.

14. Which is the only branch of the Indira Gandhi Canal Project that originates on its left bank?

(A) Suratgarh Branch
(B) Pugal Branch
(C) Dattor Branch
(D) Rawatsar Branch

15. Consider the following environmental consequences observed in the IGCP command area:

I. Severe waterlogging in low-lying flat terrains.
II. Secondary salinization of soil due to capillary action.
III. Decline in the natural habitat of indigenous desert fauna.
IV. Eradication of moisture-loving agricultural pests.

Which of the above statement(s) is/are correct?

(A) I, II and III
(B) I, II and IV
(C) II, III and IV
(D) I, III and IV

16. The widely discussed "Sem" problem in the Indira Gandhi Canal command area specifically refers to which phenomenon?

(A) Frequent breaching of the canal lining by sandstorms
(B) Ecological degradation due to severe waterlogging
(C) Conflicts over water sharing among farmers
(D) The rapid spread of invasive desert weeds

17. Which of the following geographic features significantly exacerbates the waterlogging problem in districts like Hanumangarh within the IGCP area?

(A) Close geographic proximity to the main Aravalli mountain range
(B) Presence of a hardpan subsurface layer of gypsum
(C) Extremely high rate of continuous groundwater extraction by farmers
(D) Natural downward terrain slope directly towards the Luni river basin

18. Match the former names of the IGCP Lift Canals in List I with their current revised names in List II.

List I: Former Name

P. Bikaner-Lunkaransar Lift Canal
Q. Gajner Lift Canal
R. Phalodi Lift Canal
S. Pokhran Lift Canal

List II: Current Name

1. Panna Lal Barupal Lift Canal
2. Kanwar Sen Lift Canal
3. Jai Narayan Vyas Lift Canal
4. Guru Jambheshwar Lift Canal

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

19. How many major lift canals were planned and constructed to operate as part of the Indira Gandhi Canal Project to serve the higher elevation areas?

(A) 5
(B) 7
(C) 9
(D) 11

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CHAPTER 17
Indira Gandhi Canal Project (IGNP)

1. Which two rivers meet at the Harike Barrage, the originating point of the Indira Gandhi Canal Project?
(A) Ravi and Chenab
(B) Satluj and Beas
(C) Jhelum and Ravi
(D) Satluj and Yamuna

2. In which year was the Rajasthan Canal officially renamed as the Indira Gandhi Canal?
(A) 1975
(B) 1980
(C) 1984
(D) 1989

3. Who among the following is recognized as the principal visionary who conceptualized the Indira Gandhi Canal Project through a 1948 report?
(A) Maharaja Ganga Singh
(B) Dr. Karni Singh
(C) Kanwar Sen
(D) Jai Narayan Vyas

4. What was the title of the seminal 1948 report that laid the conceptual groundwork for the Indira Gandhi Canal?
(A) Desert Reclamation in Rajputana
(B) The Thar Irrigation Project
(C) Irrigation Potential of Western Rajasthan
(D) Water Requirements in Bikaner State

5. What is the total length of the Rajasthan Feeder Canal, which carries water from Harike Barrage to the starting point of the main canal?
(A) 170 km
(B) 204 km
(C) 345 km
(D) 445 km

6. Select the correct sequential order of the regions through which the Indira Gandhi Canal water flows from its origin to the main command area.
(A) Punjab → Haryana → Rajasthan
(B) Haryana → Punjab → Rajasthan
(C) Punjab → Rajasthan → Haryana
(D) Rajasthan → Punjab → Haryana

7. The Rajasthan Feeder Canal formally enters the state of Rajasthan at which of the following locations?
(A) Gadra Road located in Barmer district
(B) Mohangarh located in Jaisalmer district
(C) Pugal township located in Bikaner district
(D) Masitawali Head in Hanumangarh district

8. Read the given Assertion (A) and Reason (R) statements carefully and select the correct option.
Assertion (A): All the lift canals of the Indira Gandhi Canal Project are situated on its left bank.
Reason (R): The topographical elevation on the left (eastern) side of the main canal is higher than the canal's gravity flow level.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

9. What is the designated length of the Indira Gandhi Main Canal (excluding the feeder canal)?
(A) 204 km
(B) 445 km
(C) 649 km
(D) 820 km

10. The zero point or terminal end of the Indira Gandhi Canal Project has been extended up to which location?
(A) Gadra Road in Barmer
(B) Mohangarh in Jaisalmer
(C) Ramgarh in Jaisalmer
(D) Kolayat in Bikaner

11. Consider the following statements regarding Stage I of the Indira Gandhi Canal Project:
I. It primarily covered the districts of Ganganagar, Hanumangarh, and parts of Bikaner.
II. It relied entirely on lift canal systems rather than gravity flow.

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29. The Eradi Commission (1986) was primarily constituted to deal with which of the following issues related to the IGCP?
(A) Conducting comprehensive environmental impact assessment studies across all regions of Stage II
(B) Managing the permanent resettlement of displaced pastoralists from the western Thar desert region
(C) Verifying surplus water sharing allocations of the Ravi and Beas rivers
(D) Investigating financial irregularities and construction defects in canal lining works

30. Which district possesses the longest section of the Indira Gandhi Main Canal flowing through its territory?
(A) Jaisalmer
(B) Hanumangarh
(C) Barmer
(D) Bikaner

31. Consider the following statements about the challenges faced during the execution and maintenance of Stage II of the IGCP:
I. The undulating terrain and vast shifting sand dunes made gravity flow impossible in many parts.
II. Frequent dust storms cause severe siltation and sand accumulation in the canal bed.
III. High initial population density made land acquisition extremely difficult.
IV. Large-scale lift irrigation networks were required, escalating operational energy costs.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) I, II and III
(C) II, III and IV
(D) I, III and IV

32. What was a major socio-economic objective of the Command Area Development (CAD) program initiated alongside the IGCP?
(A) To completely mechanize all traditional agricultural and farming practices throughout the desert region.
(B) Ensuring equitable water distribution and systematic land leveling.
(C) To strictly prohibit all livestock rearing and pastoral activities within western Rajasthan districts.
(D) To convert the entire canal command area into a designated Special Economic Zone for industrial development.

33. Identify the odd one out among the following canal branches based on their geographical alignment relative to the main canal.
(A) Suratgarh Branch
(B) Rawatsar Branch
(C) Anupgarh Branch
(D) Pugal Branch

34. In the context of the Indira Gandhi Canal Project, what does the term "Chak" designate?
(A) A block of land irrigated by one watercourse outlet.
(B) A traditional rainwater harvesting structure designed to replace canal flow in summer months.
(C) A state tax collected for utilizing canal water resources for industrial manufacturing purposes.
(D) A heavy mechanical dredger machine used to continuously remove accumulated sand from canal beds.

35. Select the correct sequence representing the descending hierarchy of the canal water distribution network in the IGCP.
(A) Main Canal → Distributary → Branch → Watercourse → Minor
(B) Main Canal → Branch → Distributary → Minor → Watercourse
(C) Branch → Main Canal → Minor → Distributary → Watercourse
(D) Main Canal → Minor → Branch → Distributary → Watercourse

36. Which species of native fauna has experienced significant habitat fragmentation and population decline due to the conversion of dry grasslands into irrigated fields by the IGCP?
(A) Indian Peafowl (Pavo cristatus)
(B) Sarus Crane (Antigone antigone)
(C) Blue Bull or Nilgai
(D) Great Indian Bustard

37. Which of the following districts primarily benefits from the Nohar-Sahwa (now Chaudhary Kumbharam) Lift Canal?
(A) Jaisalmer, Barmer, and Jodhpur districts
(B) Bikaner, Nagaur, and Phalodi districts
(C) Hanumangarh, Churu, and Jhunjhunu
(D) Udaipur, Dungarpur, and Banswara districts

38. Match the IGCP Branches in List I with the districts they predominantly serve in List II.
List I: Branch

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ANSWERS

1. (B) Satluj and Beas
The Harike Barrage is situated at the confluence of the Satluj and Beas rivers in the Firozpur district of Punjab. This headwork serves as the primary originating point for the Indira Gandhi Canal system. The feeder canal receives its designated perennial water flow directly from the combined discharge of these two major Himalayan rivers.

2. (C) 1984
The major canal project in western Rajasthan was originally designated as the Rajasthan Canal upon its inception. Following the assassination of former Prime Minister Indira Gandhi, the project was officially renamed as the Indira Gandhi Canal on November 2, 1984, to honor her contribution towards regional water development and agricultural expansion in arid desert territories.

3. (C) Kanwar Sen
Kanwar Sen, a renowned hydraulic engineer and the Chief Engineer of the erstwhile Bikaner State, conceptualized the monumental canal project in 1948. His detailed proposals emphasized diverting water from the Himalayan rivers of Punjab into the hyper-arid tracts of western Rajasthan, laying the foundational framework for transforming the desert ecosystem into productive agricultural land.

4. (D) Water Requirements in Bikaner State
In 1948, Chief Engineer Kanwar Sen authored the landmark report titled Water Requirements in Bikaner State. This document presented a comprehensive technical and economic assessment showing how water from the Punjab rivers could be brought to Rajasthan, serving as the official blueprint that led to the execution of the Indira Gandhi Canal Project.

5. (B) 204 km
The Rajasthan Feeder Canal serves as the main carrier channel, measuring a total distance of 204 kilometers. It originates at the Harike Barrage in Punjab and extends up to Masitawali Head in Hanumangarh district, Rajasthan. Out of this total feeder length, 170 kilometers run through Punjab and Haryana, while 34 kilometers lie within Rajasthan.

6. (A) Punjab → Haryana → Rajasthan
The water route of the Indira Gandhi Canal System begins in Punjab at the Harike Barrage. The feeder canal passes through the state of Punjab, traverses across parts of Haryana, and finally crosses the border into Rajasthan at Masitawali Head. This geographical sequence ensures transit of water from river confluence to the command area.

7. (D) Masitawali Head in Hanumangarh district
The Rajasthan Feeder Canal, which originates from the Harike Barrage in Punjab, finishes its carrier route at Masitawali Head in the Hanumangarh district of northern Rajasthan. At this precise geographical landmark, the feeder canal officially terminates, and the Indira Gandhi Main Canal begins its distribution network through the western desert terrain.

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8. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The topographical slope of western Rajasthan naturally dips toward the west, leaving the land on the left (eastern) side of the Indira Gandhi Main Canal at a higher elevation. Because gravity flow is impossible across this elevated terrain, mechanical pumping systems were constructed, placing all lift canals exclusively along the left bank.

9. (B) 445 km
The Indira Gandhi Main Canal spans a total designated length of 445 kilometers. It extends from its starting point at Masitawali Head in Hanumangarh district down to its primary terminal point at Mohangarh in Jaisalmer district. When combined with the 204-kilometer feeder canal, the primary system reaches a total length of 649 kilometers.

10. (A) Gadra Road in Barmer
While Mohangarh in Jaisalmer district served as the original terminal point of the main canal, the system was later extended through the construction of the Baba Ramdev Sub-branch.

(D) Pokhran Lift Canal

47. Identify the correct statement regarding the physical structure of the Indira Gandhi Canal.
(A) The main canal and major branches are concrete-lined to minimize seepage.
(B) The Rajasthan Feeder Canal provides extensive direct gravity flow irrigation to agricultural districts of Punjab.
(C) The total bed width of the main canal progressively increases as it flows further southward towards Jaisalmer.
(D) The main canal relies exclusively on localized natural monsoon rainfall for its overall annual water supply.

48. Read the given Assertion (A) and Reason (R) statements carefully and select the correct option.
Assertion (A): The Indira Gandhi Canal Project has caused an increase in the incidence of water-borne diseases like malaria in parts of western Rajasthan.
Reason (R): The introduction of perennial water bodies and subsequent waterlogging in flat desert terrains provide extensive breeding grounds for mosquitoes.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

49. Which of the following is NOT an operational lift canal under the Indira Gandhi Canal Project?
(A) Guru Jambheshwar Lift Canal
(B) Narmada Lift Canal
(C) Veer Teja Lift Canal
(D) Jai Narayan Vyas Lift Canal

50. The terminal extension of the Indira Gandhi Canal Project from Mohangarh to Gadra Road is commonly referred to by which name?
(A) Baba Ramdev Sub-branch
(B) Sagarmal Gopa Main Branch
(C) Barkatullah Khan Link Canal
(D) Saraswati Link Canal Project

51. Consider the following statements regarding the drinking water supply role of the IGCP:
I. It supplies drinking water to the city of Bikaner.
II. It is the primary surface water source for Jodhpur city.
III. It has completely resolved the drinking water issues of the Udaipur division.
IV. It serves hundreds of remote desert villages through pipeline grids.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, II and IV
(D) I, III and IV

52. What was the primary justification for constructing the Rajasthan Feeder Canal instead of immediately drawing irrigation channels from Harike?
(A) To prevent neighboring states like Punjab and Haryana from legally claiming any share of the flowing water.
(B) To effectively utilize the natural elevated slope of the Aravalli hills for generating industrial hydroelectricity.
(C) To create an extensive navigable inland commercial waterway connecting regions between Punjab and Rajasthan.
(D) To maintain water velocity and prevent transit losses before reaching the desert command area.

53. The construction and development of the Indira Gandhi Canal Project was broadly divided into two main stages. Stage I was officially declared complete in which decade?
(A) 1960s
(B) 1970s
(C) 1990s
(D) 2010s

54. Identify the incorrect pair regarding the branches of the IGCP and their respective bank location.
(A) Suratgarh Branch – Right Bank
(B) Rawatsar Branch – Right Bank
(C) Anupgarh Branch – Right Bank
(D) Birsalpur Branch – Right Bank

55. Select the correct chronological order of the following historical milestones related to the IGCP.
1. Signing of the Indus Water Treaty
2. Submission of the Kanwar Sen Report
3. Renaming of the canal to Indira Gandhi Canal
4. Commencement of canal construction works at Harike
(A) 2, 4, 1, 3

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Sub-branch extension.
(B) The Jai Narayan Vyas Lift Canal system catering to western desert regions.
(C) The dedicated Rajiv Gandhi Lift Canal constructed primarily for drinking water.
(D) The extensive Kanwar Sen Lift Canal network supplying northern districts.

73. Identify the incorrect statement regarding the water source of the IGCP.
(A) It draws its designated legal water allocation based strictly on the provisions of the Indus Water Treaty.
(B) The Harike Barrage facility is geographically situated downstream of the confluence of Satluj and Beas.
(C) Water flow is seasonal and relies entirely on local monsoons in Punjab.
(D) Continuous Himalayan snowmelt feeds the supplying rivers, contributing significantly to perennial water flow.

74. Which major agricultural transition is NOT a direct result of the IGCP in the Thar region?
(A) Replacing mechanized farming with traditional ox-ploughing.
(B) Rapid widespread introduction and intensive usage of chemical fertilizers and agricultural pesticides.
(C) A structural shift from traditional drought-resilient crops towards water-demanding cash crops.
(D) Large-scale economic transition from dry subsistence farming to commercial horticulture and orchards.

75. Consider the following statements:
Statement I: The Indira Gandhi Canal Project was initially funded and constructed solely by the British colonial administration.
Statement II: The project faced massive cost escalations and delays stretching its completion over several decades.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

76. Match the Lift Canals in List I with their primary beneficiary districts in List II.
List I: Lift Canal
P. Kanwar Sen Lift Canal
Q. Rajiv Gandhi Lift Canal
R. Panna Lal Barupal Lift Canal
S. Jai Narayan Vyas Lift Canal
List II: Beneficiary District
1. Jodhpur
2. Bikaner, Nagaur
3. Bikaner (City & District)
4. Jaisalmer, Jodhpur
(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-1, R-2, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-4, S-1

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77. Which of the following is the most accurate description of the topography that Stage II of the IGCP had to navigate?
(A) Extensive flat alluvial river plains possessing naturally high organic soil fertility.
(B) Extremely rugged mountainous terrain requiring extensive deep rock tunneling work.
(C) Vast stretches of shifting sand dunes with sparse vegetation.
(D) Low-lying coastal marshlands inherently prone to frequent saline tidal inundation.

78. Out of the 204 km total length of the Rajasthan Feeder Canal, how much of it flows through the states of Punjab and Haryana combined before entering Rajasthan?
(A) 34 km
(B) 100 km
(C) 170 km
(D) 204 km

79. What was the main administrative purpose of establishing the Indira Gandhi Canal Board?
(A) To oversee execution, construction, and management of the canal project.
(B) To strictly manage interstate border security operations along the entire length of the canal route.
(C) To facilitate and manage the export of surplus agricultural produce from Rajasthan to Punjab state.
(D) To independently negotiate international water sharing treaties and agreements directly with Pakistan.

(D) Jhunjhunu

64. The end-point of Stage I of the Indira Gandhi Main Canal is located near which of the following places?
(A) Mohangarh town
(B) Pugal
(C) Gadra Road station
(D) Ramgarh village

65. What specific agricultural practice is heavily promoted in the IGCP command area to counter the rising threat of soil salinization?
(A) Deep continuous uncontrolled flooding of agricultural fields during cropping seasons.
(B) Crop rotation with legumes and micro-irrigation adoption.
(C) Practicing traditional shifting cultivation techniques such as slash and burn agriculture.
(D) Exclusive year-round intensive cultivation of water-demanding paddy crops.

66. The Phalodi Lift Canal, which serves the districts of Jodhpur, Bikaner, and Jaisalmer, has been renamed as:
(A) Guru Jambheshwar Lift Canal
(B) Panna Lal Barupal Lift Canal
(C) Jai Narayan Vyas Lift Canal
(D) Veer Teja Lift Canal

67. The total length of the IGCP system is 649 km. This comprises:
(A) 170 km Feeder Canal and 479 km Main Canal
(B) 300 km Feeder Canal and 349 km Main Canal
(C) 204 km Feeder Canal and 445 km Main Canal
(D) 250 km Feeder Canal and 399 km Main Canal

68. Consider the following statements regarding the demographic changes in the IGCP command area:
I. There has been a significant rise in population density in the newly irrigated tracts.
II. Nomadic pastoralists were entirely forcibly evicted from the state.
III. New agricultural market towns (Mandis) have rapidly developed.
IV. The value of agricultural land has witnessed a massive exponential increase.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, II, III and IV
(D) I, III and IV

69. Which of the following correctly describes the "Bangarsar Lift Canal"?
(A) It represents the single longest operational lift canal system specifically serving Jodhpur city.
(B) It is unique for being the only lift canal situated on the right bank of the main canal system.
(C) It is renamed as Veer Teja Lift Canal serving Bikaner.
(D) It functions as an interstate canal system jointly sharing water allocations with Gujarat state.

70. How has the Indira Gandhi Canal Project affected the traditional livestock rearing economy of western Rajasthan?
(A) It has directly caused the total structural collapse of local dairy farming by legally outlawing cattle rearing.
(B) It transitioned nomadic pastoralism to mixed farming with integrated livestock.
(C) It has shifted rural economic focus entirely toward specialized camel breeding for heavy industrial transport.
(D) It has had virtually no measurable impact on traditional communal grazing lands or historical pastoral routes.

71. Read the given Assertion (A) and Reason (R) statements carefully and select the correct option.
Assertion (A): The Indira Gandhi Canal has played a crucial role in securing border areas in western Rajasthan.
Reason (R): The availability of perennial water has encouraged permanent civilian settlements and improved infrastructure along the desolate international border.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

72. Which major lift canal is primarily responsible for catering to the drinking and industrial water requirements of the border district of Barmer?
(A) It is served directly by the Baba Ramdev

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P. Suratgarh Branch
Q. Pugal Branch
R. Sagarmal Gopa Branch
S. Rawatsar Branch

List II: District

1. Bikaner
2. Ganganagar
3. Hanumangarh
4. Jaisalmer

(A) P-3, Q-1, R-2, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-4, R-1, S-3
(D) P-1, Q-2, R-3, S-4

39. Which of the following is considered a beneficial ecological impact of the Indira Gandhi Canal Project in the Thar Desert region?
(A) Significant decrease in ambient atmospheric humidity levels across the region
(B) Complete structural elimination of all indigenous native thorny vegetation
(C) Substantial lowering of the regional underground water table level
(D) Arresting desertification and shifting sand dunes

40. Consider the following statements:
Statement I: The Indira Gandhi Canal Project has entirely eliminated the need for animal husbandry in western Rajasthan.
Statement II: The cropping pattern in the IGCP command area has shifted heavily towards commercial crops like cotton, groundnut, and mustard.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

41. The Kolayat Lift Canal, providing vital irrigation and drinking water to Bikaner and Jodhpur districts, was renamed in honor of which personality?
(A) Veer Teja
(B) Guru Jambheshwar
(C) Dr. Karni Singh
(D) Panna Lal Barupal

42. Consider the following strategies proposed or implemented to mitigate the waterlogging (Sem) problem in the IGCP area:
I. Promoting bio-drainage by planting Eucalyptus and Safeda trees.
II. Constructing subsurface drainage networks to remove excess water.
III. Increasing the per-hectare water allowance to flush out salts.
IV. Encouraging optimal water utilization and sprinkler irrigation.
Which of the above statement(s) is/are correct?
(A) I, II and IV
(B) I, II and III
(C) II, III and IV
(D) I, III and IV

43. Which of the following states is NOT a participant in the water-sharing agreement of the Harike Barrage system that feeds the IGCP?
(A) Punjab
(B) Haryana
(C) Rajasthan
(D) Gujarat

44. Consider the following statements about the Indira Gandhi Canal Project:
I. It is recognized as one of the largest canal systems in the world entirely situated in a desert environment.
II. The main canal is entirely unlined to allow maximum groundwater recharge.
III. Stage II of the project was significantly more challenging due to the harsh geography of Jaisalmer and Barmer.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II and III

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45. What is the approximate planned Gross Command Area (GCA) targeted by the completed Indira Gandhi Canal Project?
(A) 0.5 million hectares total area
(B) 1.0 million hectares total area
(C) 1.96 million hectares
(D) 4.5 million hectares total area

46. The Jai Narayan Vyas Lift Canal was earlier known by which of the following names?
(A) Phalodi Lift Canal
(B) Gajner Lift Canal
(C) Bangarsar Lift Canal

80. The monumental transformation brought about by the Indira Gandhi Canal in western Rajasthan is often summarized as "greening the desert." Which of the following remains the most critical long-term sustainability challenge for this project?

(A) Frequent and unpredictable drying up of the Satluj river system at its primary glacial source.

(B) Managing soil salinity, waterlogging, and drainage in an arid environment.

(C) The eventual and inevitable structural collapse of the aging Harike Barrage headworks.

(D) Rapid overall population decline and large-scale out-migration from the canal command area.

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21. (C) Jodhpur
The Rajiv Gandhi Lift Canal was specifically planned and constructed as an offshoot system to address the acute and chronic drinking water scarcity in Jodhpur city and its surrounding rural areas. By pumping canal water over elevated terrain, it provides a stable and continuous municipal water supply to this major urban center.

22. (B) The cropping intensity in the command area has drastically decreased due to excessive moisture.
The introduction of canal irrigation has dramatically increased cropping intensity across western Rajasthan rather than reducing it. Perennial water availability transformed hyper-arid land into double-cropped regions, allowing farmers to transition from rainfed subsistence farming to cultivating high-value commercial cash crops such as cotton, groundnut, mustard, and wheat throughout multiple growing seasons.

23. (D) Only I and III
The canal project triggered significant socio-economic changes, including planned land settlement units called "Chaks" and substantial in-migration of agricultural workers from neighboring states like Punjab and Haryana. Far from devaluing property, the arrival of reliable canal irrigation caused agricultural land values in the command area to appreciate exponentially over time.

24. (A) The Indus Water Treaty (1960)
The Indus Water Treaty signed in 1960 granted India exclusive rights over the waters of the eastern rivers, namely the Ravi, Beas, and Satluj. This international agreement provided the legal basis and guaranteed water allocation that allowed India to construct the Indira Gandhi Canal for diverting excess river supplies to Rajasthan.

25. (C) Sewan Grass
Sewan grass (Lasiurus sindicus) is a vital indigenous pasture grass native to the hyper-arid ecosystem of western Rajasthan. The expansion of intensive canal irrigation, rising water tables, and conversion of natural grazing lands into cultivated cropland have severely degraded its natural habitat, leading to a decline in traditional pastoral pastures.

26. (A) 1, 2, 3, 4
The branches stemming from the main canal follow a strict geographical sequence from north to south. Starting from northern Rajasthan, the Suratgarh Branch appears first, followed progressively southward by the Pugal Branch in Bikaner, the Dattor Branch, and finally the Sagarmal Gopa Branch located in the southern command area of Jaisalmer.

27. (D) Supplying safe drinking water to villages in Churu, Hanumangarh, and Jhunjhunu.
"Aapni Yojana" is an integrated rural water supply project executed with financial and technical assistance from KFW Germany. It off-takes water from the Nohar-Sahwa (Chaudhary Kumbharam) Lift Canal to deliver safe, clean drinking water via pipeline networks to hundreds of severely fluorosis-affected and water-scarce desert villages across Churu, Hanumangarh, and Jhunjhunu districts.

28. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Continuous excessive canal irrigation in hyper-arid climatic zones leads to intense soil salinization. High ambient temperatures cause rapid surface evaporation of water, which draws dissolved subterranean salts upward through capillary action. These salts accumulate as a white crust on the topsoil, progressively rendering arable farm fields unfertile for crop production.

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29. (C) Verifying surplus water sharing allocations of the Ravi and Beas rivers
The Eradi Tribunal (1986) was constituted by the Government of India to address complex inter-state river water disputes between Punjab, Haryana, and Rajasthan. Its core mandate involved reassessing surplus water availability from the Ravi and Beas rivers and finalizing exact volumetric allocations for downstream projects like the Indira Gandhi Canal.

30. (D) Bikaner
Geographically, Bikaner district encompasses the longest stretch of the Indira Gandhi Main Canal within its administrative borders. The main canal traverses extensive desert distances through Bikaner, supplying both major distributary branches and lift canal intake structures that provide essential agricultural irrigation and domestic drinking water throughout the region.

This extended section carries irrigation and drinking water further south, placing the final zero point or terminal end of the project at Gadra Road in Barmer district.

11. (D) Only I and III
Stage I of the project covered northern districts including Ganganagar, Hanumangarh, and parts of Bikaner, utilizing flatter terrain suitable for extensive gravity flow channels rather than relying purely on lift canals. Construction was geographically easier compared to Stage II, which later encountered much higher sand dunes and more severe desert slopes.

12. (B) Pratapgarh
The Indira Gandhi Canal Project targets the arid northwest regions of Rajasthan, supplying water across districts like Hanumangarh, Ganganagar, Bikaner, Jaisalmer, Barmer, Churu, and Jhunjhunu. Pratapgarh is located in southern Rajasthan within the Hadoti/Mewar zone and receives water from distinct river basins, entirely outside the command network of this canal.

13. (C) To carry water to the main canal with minimal transit loss without irrigation along its route.
The primary structural function of the Rajasthan Feeder Canal is to convey water efficiently from the Harike Barrage in Punjab to the main canal headworks at Masitawali in Rajasthan. To prevent water diversion and minimize transmission losses before reaching the arid desert target zones, no irrigation outlets are provided along the feeder.

14. (D) Rawatsar Branch
Due to the general slope of the terrain dipping toward the west, almost all irrigation branches of the Indira Gandhi Canal stem from its right bank to allow natural gravity flow. The Rawatsar Branch is the sole exception, being the only branch constructed on the left bank of the main canal system.

15. (A) I, II and III
Large-scale canal irrigation in arid desert environments causes significant ecological side effects, including severe waterlogging in flat lowlands, soil salinization due to upward salt migration from capillary action, and destruction of native xerophytic habitats for indigenous desert fauna. However, excessive moisture encourages and spreads moisture-loving agricultural pests rather than eradicating them.

16. (B) Ecological degradation due to severe waterlogging
The local term "Sem" refers specifically to the critical issue of excessive waterlogging and soil degradation that affects agricultural lands along the canal route. Continuous deep seepage from unlined channels, excessive flood irrigation, and restricted subsurface drainage elevate the local water table, transforming fertile soil into unproductive, marshy, and saline tracts.

17. (B) Presence of a hardpan subsurface layer of gypsum
In districts such as Hanumangarh, an impermeable subsurface hardpan layer composed of gypsum and clay lies beneath the topsoil. When intensive canal irrigation occurs, this underground barrier prevents deep drainage of excess water, forcing the water table to rise rapidly towards the surface and causing acute waterlogging alongside severe soil salinization.

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18. (A) P-2, Q-1, R-4, S-3
The lift canals under the project were officially renamed to honor notable leaders and reformers. The Bikaner-Lunkaransar Lift Canal became the Kanwar Sen Lift Canal, Gajner became Panna Lal Barupal, Phalodi became Guru Jambheshwar, and Pokhran became the Jai Narayan Vyas Lift Canal, matching historical geographical lines across western Rajasthan.

19. (B) 7
To supply water to the elevated eastern and southern zones lying above the main canal's gravity level, seven major lift canals were planned and built. These seven systems lift water mechanically using large pumps, allowing controlled distribution for both irrigation and drinking needs across several arid districts of western Rajasthan.

20. (D) Kanwar Sen Lift Canal
The Kanwar Sen Lift Canal, formerly known as the Bikaner-Lunkaransar Lift Canal, is the longest lift canal in the entire system. Constructed during Stage I, it plays a vital role in carrying surface water over long distances to meet both agricultural requirements and the primary drinking water needs of Bikaner city.

(B) 2, 1, 4, 3
(C) 4, 2, 1, 3
(D) 1, 2, 4, 3

56. The topographical restriction that mandated the creation of the lift canal system in the IGCP is because the land to the east and south of the main canal generally:
(A) Rises in elevation against natural gravity flow.
(B) Slopes downward steeply forming vast network of deep inaccessible ravines.
(C) Consists entirely of continuous impenetrable rocky plateaus and hard stone.
(D) Lies significantly below mean sea level, requiring water to be lifted out mechanically.

57. Which crop has seen the most dramatic increase in cultivation area in the northern IGCP command districts (Ganganagar and Hanumangarh) directly displacing traditional arid cereals?
(A) Jute
(B) Coffee
(C) Cotton
(D) Soybean

58. Match the following terms associated with the IGCP in List I with their correct definitions in List II.
List I: Term
P. Sem
Q. Hardpan
R. Chak
S. Command Area
List II: Definition
1. Subsurface impervious layer of gypsum/clay
2. Designated irrigation block for a watercourse
3. Region geographically viable for irrigation by the project
4. Problem of acute waterlogging and soil degradation
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-2, S-4

59. The Bikaner-Lunkaransar Lift Canal was the first lift canal to be constructed under the IGCP. What is its present name?
(A) Guru Jambheshwar Lift Canal
(B) Panna Lal Barupal Lift Canal
(C) Dr. Karni Singh Lift Canal
(D) Kanwar Sen Lift Canal

60. Consider the following statements:
Statement I: The Indira Gandhi Canal Project has entirely reversed the flow direction of the Luni River.
Statement II: The IGCP imports water from outside the natural drainage basin of the Thar desert.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

61. Which of the following best describes the ecological alteration in the Desert National Park region attributed to the proximity of the IGCP?
(A) Complete large-scale physical destruction of natural sand dunes caused by heavy construction machinery.
(B) Accidental or deliberate introduction of predatory saltwater crocodiles into man-made desert lakes.
(C) Increased moisture and mesophytic vegetation altering the native arid habitat.
(D) Frequent uncontrolled forest fires occurring due to extremely dense eucalyptus tree plantations.

62. Consider the following statements regarding the maintenance challenges of the Indira Gandhi Canal:
I. Heavy wind erosion in summer blows massive quantities of sand into the canal, necessitating expensive desilting.
II. Breaches in the canal lining are rare because the entire canal is built through solid rock.
III. Aquatic weed growth impedes the flow of water in several distributaries.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) I, II and III
(D) Only I and III

63. Which of the following districts does NOT receive irrigation benefits from the Chaudhary Kumbharam Lift Canal?
(A) Jaisalmer
(B) Hanumangarh
(C) Churu

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31. (A) I, II and IV
Executing Stage II across Jaisalmer and Barmer posed formidable engineering hurdles. Highly undulating sand dunes necessitated costly lift systems rather than simple gravity flow, while harsh summer sandstorms caused continuous canal siltation. Population density in this extreme desert terrain was historically very low, making land acquisition easy rather than difficult.

32. (B) Ensuring equitable water distribution and systematic land leveling.
The Command Area Development (CAD) program was implemented alongside canal construction to maximize regional agricultural efficiency. Its primary socio-economic goals included constructing localized field channels, carrying out systematic land leveling and shaping, establishing equitable rotational water distribution schemes (Warabandi), and improving overall farm water utilization across newly irrigated desert blocks.

33. (B) Rawatsar Branch
The Rawatsar Branch stands out as the unique exception among all distribution branches of the Indira Gandhi Canal. While branches such as Suratgarh, Anupgarh, and Pugal originate from the right bank to take advantage of the natural westward terrain slope, the Rawatsar Branch is the only one located on the left bank.

34. (A) A block of land irrigated by one watercourse outlet.
In the administrative and operational terminology of the Indira Gandhi Canal command area, a "Chak" defines a specific command unit or block of agricultural land that receives water from a single outlet on a minor or distributary channel. Farmers within a Chak share water allocation according to fixed rotational schedules.

35. (B) Main Canal → Branch → Distributary → Minor → Watercourse
The water conveyance system of the Indira Gandhi Canal follows a clear hierarchical network. Water flows from the primary Main Canal into major Branches, which then supply smaller Distributary channels. These distributaries feed localized Minors, which ultimately discharge water into field-level Watercourses that deliver irrigation directly to individual agricultural plots.

36. (D) Great Indian Bustard
The Great Indian Bustard (Ardeotis nigriceps), a critically endangered bird species, inhabits dry open grasslands in western Rajasthan. Canal irrigation transformed vast dry tracts into irrigated farmlands, leading to habitat fragmentation, increased human disturbance, agricultural expansion, and loss of native arid vegetation essential for the survival and nesting of this species.

37. (C) Hanumangarh, Churu, and Jhunjhunu
The Nohar-Sahwa Lift Canal, officially renamed as the Chaudhary Kumbharam Lift Canal, is designed to serve the northeastern command area of the project. It lifts water to cater to agricultural irrigation and domestic drinking water requirements across key districts including Hanumangarh, Churu, and Jhunjhunu, significantly mitigating chronic regional water scarcity.

38. (B) P-2, Q-1, R-4, S-3
The distribution branches of the main canal correspond directly to specific district locations along its geographical route. The Suratgarh Branch predominantly irrigates Ganganagar district, the Pugal Branch services Bikaner district, the Sagarmal Gopa Branch extends into Jaisalmer district, and the Rawatsar Branch supplies rich agricultural tracts within Hanumangarh district territory.

39. (D) Arresting desertification and shifting sand dunes
A major beneficial ecological outcome of the Indira Gandhi Canal Project is the stabilization of sand dunes and the suppression of desert expansion across western Rajasthan. Extensive tree plantation shelterbelts along canal banks, shelterbelt afforestation, and expanded vegetation cover have effectively controlled wind erosion and halted active dune movement in the region.

40. (D) Statement I is incorrect but Statement II is correct.
Animal husbandry still remains a crucial component of the rural economy in western Rajasthan alongside canal-fed agriculture rather than being eliminated. However, perennial irrigation enabled a major agricultural transformation, allowing farmers to shift heavily toward cultivating high-value commercial cash

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crops such as cotton, groundnut, mustard, and wheat across the command area.

41. (C) Dr. Karni Singh
The Kolayat Lift Canal, an important lift irrigation and drinking water branch serving Bikaner and Jodhpur districts, was officially renamed as the Dr. Karni Singh Lift Canal. This official renaming honored Dr. Karni Singh, the last Maharaja of Bikaner and a long-serving Member of Parliament who advocated for regional water development.

42. (A) I, II and IV
Mitigating the severe Sem (waterlogging) problem involves promoting bio-drainage through deep-rooting trees like Eucalyptus, constructing tile subsurface drainage to draw out excess groundwater, and encouraging efficient micro-irrigation techniques such as sprinklers. Increasing per-hectare water allowances would worsen waterlogging and salinization by raising the water table further across affected agricultural lands.

43. (D) Gujarat
The Harike Barrage system, located at the confluence of the Satluj and Beas rivers in Punjab, supplies water through an interstate framework involving Punjab, Haryana, and Rajasthan. Gujarat receives its designated inter-basin river water allocations through the separate Narmada Canal network originating from the Sardar Sarovar Dam, not from Harike.

44. (B) Only I and III
The Indira Gandhi Canal Project stands as one of the world's largest canal networks operating within a desert environment. To minimize extreme seepage losses in sandy soil, the main canal is heavily lined with concrete and masonry rather than left unlined. Stage II proved far more complex due to dunes in Jaisalmer.

45. (C) 1.96 million hectares
The Indira Gandhi Canal Project was planned to command a massive agricultural land area in western Rajasthan. Upon full implementation across Stage I and Stage II combined, the project targets a total Gross Command Area (GCA) of approximately 1.96 million hectares, bringing transformative canal irrigation to historically dry desert districts.

46. (D) Pokhran Lift Canal
The Jai Narayan Vyas Lift Canal was originally named the Pokhran Lift Canal during its early planning and construction phases. To honor former Chief Minister and freedom fighter Jai Narayan Vyas, the system was officially renamed. It serves vital irrigation and drinking water needs in regions of Jodhpur and Jaisalmer districts.

47. (A) The main canal and major branches are concrete-lined to minimize seepage.
To prevent water loss through percolation in the highly porous sandy soil of the Thar Desert, the Indira Gandhi Main Canal and its principal distribution channels are extensively lined with concrete and masonry. This impermeable lining ensures efficient transit of water across hundreds of kilometers without excessive losses into underlying sand.

48. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The arrival of canal irrigation significantly altered disease vector dynamics across western Rajasthan. Standing water in canal distributaries, unlined watercourses, and waterlogged lowlands created ideal perennial breeding habitats for Anopheles mosquitoes. Consequently, desert regions that historically experienced minimal vector activity witnessed a marked rise in malaria cases following canal construction and irrigation expansion.

49. (B) Narmada Lift Canal
The Narmada Canal Project is an entirely separate major irrigation initiative in southern Rajasthan that draws water from the Sardar Sarovar Dam in Gujarat. Lift canals under the Indira Gandhi Canal system include Guru Jambheshwar, Veer Teja, and Jai Narayan Vyas, which off-take directly from the main canal in northern and central Thar.

50. (A) Baba Ramdev Sub-branch
The tail-end extension of the Indira Gandhi Canal system beyond Mohangarh in Jaisalmer down to Gadra Road in Barmer is officially designated as the Baba Ramdev Sub-branch. This essential canal extension provides reliable irrigation water and domestic supply to remote border settlements located in the far southwestern corner of Rajasthan.

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51. (C) I, II and IV
The project serves as a crucial lifeline for drinking water across western Rajasthan, delivering surface water to cities such as Bikaner and Jodhpur, as well as thousands of rural villages. However, it does not supply water to the southern Udaipur division, which relies entirely on its own regional river basins and reservoirs.

52. (D) To maintain water velocity and prevent transit losses before reaching the desert command area.
Constructing the Rajasthan Feeder Canal as an exclusive carrier channel without irrigation outlets ensured that water from Harike Barrage moved at optimal velocity directly to the desert command area. This design prevented unlawful water withdrawal en route through Punjab and Haryana, ensuring maximum water delivery to Rajasthan while minimizing evaporation and seepage losses.

53. (C) 1990s
Stage I construction of the Indira Gandhi Canal Project began in the late 1950s following the initial foundation laying. Covering the northern command districts of Hanumangarh, Ganganagar, and Bikaner, all primary structural works, distribution networks, and associated land development for Stage I were fully completed and commissioned by the 1990s.

54. (B) Rawatsar Branch – Right Bank
Due to the natural westward topographical slope, major irrigation branches such as Suratgarh, Anupgarh, and Birsalpur originate from the right bank of the main canal to allow natural gravity distribution. The Rawatsar Branch is located on the left bank, making its classification as a right-bank branch structurally incorrect and invalid.

55. (A) 2, 4, 1, 3
The historical milestones unfolded in clear chronological order. Kanwar Sen submitted his landmark proposal report in 1948. Canal construction works at Harike began in 1952. The international Indus Water Treaty was signed in 1960. Finally, the Rajasthan Canal Project was officially renamed the Indira Gandhi Canal Project in November 1984.

56. (A) Rises in elevation against natural gravity flow.
The natural terrain slope in western Rajasthan dips downward toward the west and southwest. Consequently, the land situated on the east and south (left bank) of the main canal lies at a higher topographical elevation, rising against the natural gravity flow of water and requiring mechanical pump stations to lift water into channels.

57. (C) Cotton
With the commissioning of Stage I in Ganganagar and Hanumangarh districts, cash crop cultivation expanded rapidly. Perennial canal water enabled farmers to shift away from low-yielding, traditional drought-tolerant coarse grains like bajra, replacing them with commercial long-staple cotton, which became a dominant agricultural driver across these northern command desert tracts.

58. (A) P-4, Q-1, R-2, S-3
The project terms are defined by specific ecological and engineering features. “Sem” refers to acute waterlogging and soil degradation; “Hardpan” represents an impermeable subsurface layer of gypsum or clay; “Chak” denotes a designated land distribution unit for an outlet; and “Command Area” is the region viable for direct canal irrigation.

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59. (D) Kanwar Sen Lift Canal
The Bikaner-Lunkaransar Lift Canal was the pioneer lift structure built under Stage I to pump water to the higher elevations of Bikaner. Following project-wide renaming to honor prominent figures, this pioneering lift canal was official named the Kanwar Sen Lift Canal after the visionary engineer who conceptualized the entire project.

60. (D) Statement I is incorrect but Statement II is correct.
The canal system imports water from Himalayan rivers (Satluj and Beas) outside the natural, hyper-arid internal drainage basin of the Thar Desert. However, the canal does not alter or reverse the natural flow direction of the Luni River, which originates in the Aravallis and flows southwest into the Rann of Kutch.

Over-irrigation, poor subsurface drainage, and impermeable gypsum hardpans lead to widespread waterlogging (Sem) and capillary soil salinization, requiring sustainable drainage management, efficient water distribution, and proper crop rotation.

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71. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Perennial water availability along the Indira Gandhi Canal transformed desolate border areas along the international boundary with Pakistan. Stable civilian settlements, agricultural habitations, and improved road networks developed along the canal route. This increased civilian population presence and infrastructure significantly boosted regional stability, defense logistics, and overall national security in border zones.

72. (A) It is served directly by the Baba Ramdev Sub-branch extension.
The southern extension of the main canal beyond Mohangarh in Jaisalmer is constructed as the Baba Ramdev Sub-branch. Extending southward into Barmer district, this vital sub-branch serves as the principal canal conduit that supplies essential drinking water, domestic reserves, and localized irrigation to rural villages and border outposts across Barmer district.

73. (C) Water flow is seasonal and relies entirely on local monsoons in Punjab.
The water supply of the Indira Gandhi Canal is perennial rather than purely seasonal. The Satluj and Beas rivers originate in glacier-fed Himalayan ranges, providing continuous meltwater flow throughout the year. This steady discharge, augmented by storage reservoirs like the Bhakra and Pong dams, ensures year-round water delivery to Rajasthan.

74. (A) Replacing mechanized farming with traditional ox-ploughing.
The introduction of canal irrigation significantly modernized agriculture in western Rajasthan. Increased water availability, higher crop yields, and double-cropping led to rapid mechanization, with tractors and seed drills displacing traditional ox-ploughing. It also encouraged heavy chemical fertilizer usage, commercial cash cropping, and large-scale expansion into commercial horticulture and fruit orchards.

75. (D) Statement I is incorrect but Statement II is correct.
The Indira Gandhi Canal Project was conceptualized in 1948 by Indian engineer Kanwar Sen and launched after independence by the Government of India, not by the British colonial administration. Construction spanned several decades, encountering severe cost overruns, technical hurdles in sandy dune terrain, and logistical delays before reaching final completion.

76. (B) P-3, Q-1, R-2, S-4
The lift canals map directly to their primary beneficiary districts across western Rajasthan. Kanwar Sen Lift Canal predominantly serves Bikaner city and district; Rajiv Gandhi Lift Canal brings drinking water to Jodhpur; Panna Lal Barupal Lift Canal serves Bikaner and Nagaur; and Jai Narayan Vyas Lift Canal supplies Jaisalmer and Jodhpur.

77. (C) Vast stretches of shifting sand dunes with sparse vegetation.
Stage II of the Indira Gandhi Canal Project extended through the hyper-arid Thar Desert across western Bikaner, Jaisalmer, and Barmer. The landscape consisted of vast, shifting sand dunes, sparse vegetation, extreme temperatures, and rolling relief. Constructing lined canals and lift systems through this dynamic desert terrain presented extraordinary engineering challenges.

78. (C) 170 km
The Rajasthan Feeder Canal measures a total length of 204 kilometers from Harike Barrage in Punjab to Masitawali Head in Rajasthan. Out of this total length, exactly 170 kilometers run through the states of Punjab and Haryana combined, while the remaining 34-kilometer stretch lies within the territory of Rajasthan state.

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79. (A) To oversee execution, construction, and management of the canal project.
The Indira Gandhi Canal Board was established as an apex administrative authority by the government to oversee the planning, execution, structural construction, and long-term water management of the project. The board coordinated inter-departmental logistics, allocation of state funds, and ongoing civil engineering works across both Stage I and Stage II.

80. (B) Managing soil salinity, waterlogging, and drainage in an arid environment.
While the Indira Gandhi Canal transformed dry desert regions into productive agricultural belts, managing long-term ecological balance remains a crucial sustainability challenge.

61. (C) Increased moisture and mesophytic vegetation altering the native arid habitat.
The introduction of perennial surface water and continuous seepage near the Desert National Park region has significantly elevated atmospheric humidity and soil moisture. This hydrological shift encourages mesophytic and invasive flora to colonize dry tracts, altering the delicate xerophytic ecosystem and compromising native wild habitats adapted to hyper-arid desert conditions.

62. (D) Only I and III
Maintenance of the canal faces severe natural challenges in the Thar Desert. Strong summer windstorms blow large volumes of loose sand directly into canal beds, requiring heavy continuous desilting. Additionally, standing aquatic weed growth obstructs water discharge in minor distributaries. The lining is vulnerable to dune movement, making breaches a persistent operational risk.

63. (A) Jaisalmer
The Chaudhary Kumbharam (Nohar-Sahwa) Lift Canal off-takes from the early reach of the main canal system, directing water toward the northeastern desert districts of Hanumangarh, Churu, and Jhunjhunu. Jaisalmer is located far to the southwest and is serviced by downstream main branches such as the Sagarmal Gopa and Pokhran lift systems.

64. (B) Pugal
The Indira Gandhi Main Canal construction was executed across two distinct geographical stages. Stage I spanned 189 kilometers of the main canal, terminating near Pugal in Bikaner district. From Pugal onward, Stage II extended the main canal a further 256 kilometers down through the desert territory ending at Mohangarh in Jaisalmer.

65. (B) Crop rotation with legumes and micro-irrigation adoption.
To combat soil salinization and prevent rising water tables in the command area, agricultural agencies promote sustainable soil management practices. Adopting systematic crop rotation with nitrogen-fixing legumes improves soil structure, while transitioning from unmanaged flood irrigation to efficient micro-irrigation systems like sprinklers effectively prevents capillary salt movement to the topsoil.

66. (A) Guru Jambheshwar Lift Canal
The Phalodi Lift Canal was built to pump water into the arid regions spanning Jodhpur, Bikaner, and Jaisalmer districts. Under the comprehensive renaming of canal assets, this specific lift system was officially designated as the Guru Jambheshwar Lift Canal, honoring the revered founder and environmental saint of the Bishnoi community.

67. (C) 204 km Feeder Canal and 445 km Main Canal
The primary structural framework of the Indira Gandhi Canal system measures 649 kilometers in total length. This comprises the 204-kilometer Rajasthan Feeder Canal, which carries water from Harike Barrage to Masitawali Head, and the 445-kilometer Indira Gandhi Main Canal, which distributes water further from Masitawali Head down to Mohangarh town.

68. (D) I, III and IV
The introduction of the canal brought major demographic shifts to western Rajasthan, including rapid population growth, booming land values, and the development of vibrant agricultural market towns. Nomadic pastoralists gradually adapted to settled farming or moved to remaining un-irrigated pastures; they were certainly not forcibly evicted by government agencies from the state.

69. (C) It is renamed as Veer Teja Lift Canal serving Bikaner.
The Bangarsar Lift Canal is one of the smaller lift irrigation schemes built under the Indira Gandhi Canal Project. Serving parts of Bikaner district, it was officially renamed as the Veer Teja Lift Canal to honor the celebrated regional folk deity, providing crucial surface water to surrounding desert agrarian communities.

70. (B) It transitioned nomadic pastoralism to mixed farming with integrated livestock.
Before canal construction, western Rajasthan depended heavily on transhumant nomadic pastoralism. The arrival of perennial canal water provided stable fodder production, reliable water points, and settled crop cultivation. This change transformed nomadic livestock practices into settled, integrated mixed farming, combining crop cultivation with stall-fed livestock rearing and organized commercial dairy production.

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CHAPTER 18

Industrial Development and Location of Industries in Rajasthan

1. Before independence, the industrial economy of Rajasthan was predominantly characterized by which of the following?
(A) Large-scale metallurgical industries based on abundant local ores
(B) Organized cotton textile mills distributed uniformly across all princely states
(C) Heavy engineering and locomotive workshops established by the British
(D) Traditional handicraft and cottage industries supported by local patronage

2. The transition from a traditional handicraft-based economy to a modern industrial framework in Rajasthan gained significant institutional momentum with the establishment of which apex body in 1969?
(A) Rajasthan Financial Corporation (RFC)
(B) Bureau of Investment Promotion (BIP)
(C) Rajasthan State Industrial and Mineral Development Corporation (RSIMDC)
(D) Rajasthan Small Industries Corporation (RSIC)

3. The district of Bhilwara has earned the moniker "Textile City" of Rajasthan primarily due to its massive concentration in which specific textile sub-sector?
(A) Sericulture processing, silk weaving, and readymade garments
(B) Synthetic blending, spinning, and suiting fabric production
(C) Traditional handloom cotton processing and khadi fabric production
(D) High-grade woolen carpet weaving and specialized yarn spinning

4. The Pali industrial cluster has historically faced severe regulatory challenges and frequent closures by the National Green Tribunal (NGT) primarily due to which environmental issue?
(A) Severe ambient air pollution caused by unmonitored coal-based thermal captive power plants
(B) Extensive ground subsidence and sinkholes resulting from unregulated deep limestone mining
(C) Excessive generation and dumping of hazardous solid waste from commercial leather tanning units
(D) Discharge of untreated chemical effluent from textile dyeing units into the Bandi River

5. Match List I with List II and select the correct option.
List I: (Industrial Park/Zone)
P. Japanese Industrial Zone
Q. Mega Food Park
R. FinTech Park
S. Spices Park
List II: (District Location)
1. Jaipur
2. Jodhpur
3. Alwar
4. Ajmer
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-2, R-3, S-4

6. The rapid emergence of the Bhiwadi industrial area as a major manufacturing hub in Rajasthan is most directly attributed to which locational advantage?
(A) Its operational status as the premier dedicated Special Economic Zone for heavy industries in northern Rajasthan
(B) Abundant local availability of commercial-grade iron ore reserves and high-calorific metallurgical coking coal
(C) Direct proximity to the National Capital Region and the Gurugram-Manesar industrial hub
(D) Strategic location at the primary intersection of the Golden Quadrilateral and the East-West freight corridors

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System of Training' primarily through which institutions?
(A) Industrial Training Institutes (ITIs)
(B) Krishi Vigyan Kendras (KVKs)
(C) Primary Health Centres (PHCs)
(D) District Institutes of Education and Training (DIETs)

24. Which of the following districts is NOT recognized as a primary center within the major cement manufacturing belt of Rajasthan?
(A) Chittorgarh
(B) Nagaur
(C) Pali
(D) Jaisalmer

25. Consider the following statements regarding the Rajasthan Investment Promotion Scheme (RIPS):
I. It provides investment subsidies based on State Goods and Services Tax (SGST).
II. It offers 100% exemption on electricity duty for a specified period for eligible units.
III. It completely prohibits any incentives for the service sector, focusing only on manufacturing.
IV. It identifies specific "Thrust Sectors" for targeted additional benefits.
Which of the above statement(s) is/are correct?
(A) I, III and IV only
(B) I, II and IV only
(C) II, III and IV only
(D) I, II, III and IV

26. To attract specialized foreign investment, RIICO established a dedicated South Korean Industrial Zone in which area?
(A) Sitapura, Jaipur
(B) Boranada, Jodhpur
(C) Ghilot, Alwar
(D) Mandore, Jodhpur

27. The first modern textile mill in Rajasthan, the Krishna Mills Ltd., was established in 1889 in which city, marking an early milestone in the state's industrial history?
(A) Bhilwara
(B) Pali
(C) Kishangarh
(D) Beawar

28. Match List I with List II and select the correct option.
List I: (Industrial Product/Sector)
P. Marble Processing
Q. Glass Manufacturing
R. Textile Dyeing and Printing
S. Auto-components
List II: (Leading District in Rajasthan)
1. Dholpur
2. Kishangarh (Ajmer)
3. Bhiwadi (Alwar)
4. Pali
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

29. Which dedicated digital platform functions as the One-Stop Shop (OSS) for providing all necessary industrial clearances and approvals in Rajasthan?
(A) RajKaj
(B) RajNivesh
(C) E-Mitra
(D) RajKaushal

30. Which of the following is an incorrect statement regarding the industrial landscape of Rajasthan?
(A) Rajasthan consistently stands as the leading commercial producer of high-grade dimension stones such as marble, granite, and sandstone across India.
(B) The state possesses a fully developed network of navigable inland waterways for cheap industrial freight transport.
(C) Micro, Small and Medium Enterprises (MSMEs) account for the overwhelming majority of registered industrial manufacturing units operating across the state.
(D) The state maintains an absolute nationwide production monopoly in key strategic minerals including lead, zinc, concentrates, and wollastonite.

31. Under the Special Economic Zone (SEZ) Act, what is the defining operational characteristic of an SEZ established in Rajasthan?
(A) It is deemed foreign territory for trade operations, tariffs, and duties.
(B) It allows registered industrial manufacturing units to operate with complete exemption from all national environmental and statutory labor regulations.
(C) It is specifically designed and regulated to manufacture low-cost consumer goods targeted exclusively at domestic rural retail

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Reason (R): The arid climate of western Rajasthan provides the natural atmospheric humidity essential for optimal cotton yarn spinning.

Which of the following options is correct?

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

16. Which city has emerged as the nucleus of the startup ecosystem in Rajasthan, supported by state infrastructure like the Bhamashah Techno Hub?

(A) Jodhpur
(B) Udaipur
(C) Jaipur
(D) Kota

17. Which of the following statements regarding the Mahindra World City in Jaipur is incorrect?

(A) It is established as a joint venture between Mahindra Group and RIICO.
(B) It operates primarily as a Multi-Product Special Economic Zone (SEZ).
(C) It features dedicated zones for IT/ITeS, engineering, and handicrafts.
(D) It is exclusively reserved for Public Sector Undertakings (PSUs).

18. Which state government initiative allows Micro, Small and Medium Enterprises (MSMEs) to establish and operate for an initial period without requiring requisite approvals and inspections under state laws?

(A) Mukhyamantri Laghu Udyog Protsahan Yojana
(B) Rajasthan Investment Promotion Scheme
(C) Rajasthan MSME (Facilitation of Establishment and Operation) Act
(D) Rajasthan Industrial Development Policy

19. What strategy has RIICO primarily adopted in recent years to decentralize industrial growth and prevent extreme urban congestion in major cities?

(A) Imposing a blanket statutory ban on establishing any new medium or large manufacturing units within major district headquarters
(B) Developing industrial estates at block and tehsil levels
(C) Mandating the physical relocation of existing manufacturing units to designated areas around the Desert National Park region
(D) Enforcing strict statutory regulations mandating that all newly registered industrial units operate as 100% export-oriented entities

20. Arrange the following Special Economic Zones / Industrial Parks in alphabetical order of the districts they are located in:

I. Boranada Agro Food Park
II. Japanese Zone (Neemrana)
III. Mahindra World City
IV. White Cement Hub (Gotan)

(A) I, II, III, IV
(B) IV, III, I, II
(C) II, I, IV, III
(D) II, III, I, IV

21. Which metric is primarily utilized by the Government of India under the Business Reform Action Plan (BRAP) to assess the industrial competitiveness of states like Rajasthan?

(A) Implementation of Ease of Doing Business reforms
(B) Total annual volume of critical raw mineral resources extracted across the state
(C) Total geographical area of fertile agricultural land legally converted for heavy industrial use
(D) Aggregate number of operational state-owned public sector industrial enterprises established

22. In the context of Foreign Direct Investment (FDI) inflows into Rajasthan's industrial sector, which domain has consistently attracted the highest foreign investment in recent years?

(A) Commercial deep-sea fishing, aquaculture, and marine product processing
(B) Advanced commercial aviation, drone manufacturing, and aerospace engineering
(C) Renewable energy and metallurgical industries
(D) Inland commercial shipbuilding, dockyard services, and ocean port infrastructure

23. To bridge the gap between industrial workforce needs and skill development, the Rajasthan government strongly emphasizes the 'Dual

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7. Bhiwadi is particularly recognized nationwide for its high concentration of manufacturing units in which of the following sectors?
(A) Auto-components and light engineering goods
(B) Gems and jewellery cutting and polishing
(C) Heavy chemical and fertilizer production
(D) Traditional handicraft and dimension stone processing

8. Which of the following best describes the core objective of the Rajasthan Investment Promotion Scheme (RIPS)?
(A) To provide direct public employment opportunities to rural educated youth within government manufacturing facilities
(B) To systematically nationalize and financially restructure non-viable private sector industrial manufacturing units
(C) To strictly regulate and control the market pricing of critical industrial raw materials for micro enterprises
(D) To provide targeted financial incentives, capital subsidies, and tax concessions for new investment units

9. In the context of industrial infrastructure in Rajasthan, what is the primary role of RIICO?
(A) Providing short-term working capital loans and direct micro-credit facilities to individual registered artisans
(B) Developing industrial areas, allocating land, and building civic infrastructure
(C) Enforcing strict environmental pollution control standards and mandatory waste treatment across all manufacturing units
(D) Acting as the exclusive state-run canalizing and export agency for all raw agricultural and horticultural products

10. Consider the following statements regarding the Delhi-Mumbai Industrial Corridor (DMIC) in Rajasthan:
I. Approximately 39 percent of the Western Dedicated Freight Corridor alignment passes through Rajasthan.
II. The Khushkhera-Bhiwadi-Neemrana Investment Region (KBNIR) is being developed as a major node under the DMIC.
III. The DMIC project in Rajasthan is exclusively funded by the World Bank.
Which of the above statement(s) is/are correct?
(A) II and III only
(B) I and III only
(C) I and II only
(D) I, II and III

11. To improve the 'Ease of Doing Business', the Rajasthan Government established a statutory framework for time-bound clearances by enacting the Rajasthan Enterprises Single Window Enabling and Clearance Act in which year?
(A) 1998
(B) 2005
(C) 2011
(D) 2019

12. Sitapura Industrial Area in Jaipur is renowned for hosting a dedicated Special Economic Zone (SEZ) specifically targeting the export of which commodities?
(A) Gems and Jewellery
(B) Information Technology and IT-enabled Services (ITeS)
(C) Auto-components and engineering goods
(D) Readymade garments and woolen textiles

13. The heavy concentration of the cement industry in the Chittorgarh-Pali-Nagaur belt is primarily dictated by which locational factor?
(A) Proximity to major seaports for cement export
(B) Abundant availability of high-grade limestone reserves
(C) Presence of large perennial rivers for cooling requirements
(D) High concentration of specialized skilled labour in the region

14. Despite Rajasthan achieving a power surplus status, which of the following remains the most significant geographical constraint for the establishment of heavy metallurgical industries in the western parts of the state?
(A) High frequency and risk of major seismic and tectonic activity
(B) Acute scarcity of perennial surface fresh water sources
(C) Total absence of operational broad-gauge freight railway connectivity
(D) High atmospheric relative humidity causing rapid metal equipment corrosion

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15. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Bhilwara has developed into the dominant textile hub of Rajasthan.

markets.
(D) It functions as a restricted industrial zone where private investment capital is strictly prohibited, permitting only state-owned enterprises.

32. Consider the following statements about the 'iStart' initiative of the Rajasthan Government:
I. It serves as a single-window resource for startups, investors, and incubators.
II. It operates under the aegis of the Department of Information Technology and Communication (DoIT&C).
III. It provides financial assistance only to startups founded by women entrepreneurs.
Which of the above statement(s) is/are correct?
(A) II and III only
(B) I and III only
(C) I and II only
(D) I, II and III

33. The Common Effluent Treatment Plants (CETPs) established in the Pali industrial area primarily aim to mitigate pollution generated from which industrial process?
(A) Leather tanning and curing
(B) Marble cutting and slurry generation
(C) Cement manufacturing and clinker cooling
(D) Textile dyeing and processing

34. The Rajasthan Industrial Development Policy 2019 places special emphasis on which of the following to ensure balanced regional development?
(A) Mandating the exclusive concentration of all upcoming new heavy industrial projects solely within the National Capital Region corridor
(B) Enacting a total legislative ban on all inbound foreign direct investment targeted at existing established manufacturing clusters
(C) Setting up dedicated thrust-sector industrial parks in backward and tribal regions
(D) Systematically privatizing the management and ownership of all existing state-developed RIICO industrial estates across districts

35. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The cement industry in Rajasthan is heavily localized near regions like Chittorgarh and Nimbahera.
Reason (R): Cement manufacturing is a weight-losing industry that necessitates proximity to bulky raw materials like limestone to minimize transportation costs.
Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

36. Which institutional body in Rajasthan is specifically mandated to act as the nodal agency for facilitating mega and large investment proposals in the state?
(A) Rajasthan State Industrial Development and Investment Corporation (RIICO)
(B) Rajasthan Financial Corporation (RFC)
(C) Directorate of Industries
(D) Bureau of Investment Promotion (BIP)

37. In the context of industrial location theories, the IT and software industries developing in Jaipur's dedicated tech parks are best classified as which type of industry?
(A) Footloose industry
(B) Weight-losing industry
(C) Resource-oriented industry
(D) Heavy metallurgical industry

38. The establishment of a Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) to leverage local hydrocarbon resources is associated with which district in Rajasthan?
(A) Jaisalmer
(B) Bikaner
(C) Barmer
(D) Ganganagar

39. Which of the following is considered the most significant logistical disadvantage for the manufacturing sector in Rajasthan compared to coastal states?
(A) Higher freight costs resulting from the lack of direct maritime port connectivity
(B) Complete structural absence of high-capacity four-lane national highways and interconnected state road networks
(C) Severe geographical shortage of uncultivated barren land suitable for establishing large-scale industrial estates

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authority fails to decide within the statutory limit.
(D) All registered small enterprises are permanently exempted from obtaining any environmental or municipal approvals under any state legislation.

55. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Rajasthan is highly attractive for Foreign Direct Investment (FDI) in solar energy generation and equipment manufacturing.
Reason (R): Rajasthan possesses the highest solar radiation intensity in India along with vast tracts of contiguous barren land suitable for large solar parks.
Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

56. What is the primary purpose of developing Multi-Modal Logistics Parks (MMLPs) in Rajasthan?
(A) To build and manage state-subsidized residential housing colonies and township amenities exclusively for migrant industrial factory workers
(B) To establish major commercial recreational hubs, luxury resorts, and eco-tourism parks adjacent to expanding metropolitan industrial clusters
(C) To operate dedicated freight hubs restricted exclusively to the internal distribution and wholesale marketing of surplus agricultural produce
(D) To integrate rail and road freight transport to lower industrial logistics costs

57. The traditional tie-and-dye (Bandhej) handicraft of Pali district has largely transitioned into which modern industrial activity, making it a major cluster?
(A) Powerloom weaving of pure silk
(B) Mechanized block printing and synthetic fabric dyeing
(C) Automated manufacturing of readymade woolen garments
(D) Cultivation of organic cotton

58. Despite its proximity to the NCR being an advantage, the Bhiwadi industrial area frequently faces operational disruptions primarily due to which factor?
(A) Recurring severe cyclonic weather systems and high-wind coastal storms originating from the northern Arabian Sea basin
(B) Destructive seasonal flash flooding and widespread waterlogging occurring repeatedly across the industrial terrain during monsoons
(C) Graded Response Action Plan (GRAP) restrictions imposed due to severe NCR air pollution
(D) Protracted armed labor union disputes, frequent worker strikes, and industrial conflicts over mandatory minimum wage payouts

59. Which of the following energy sources serves as the most critical input for the operation of clinker kilns in Rajasthan's cement belt, often requiring expensive inter-state import?
(A) Solar power
(B) Natural gas
(C) Biomass
(D) Coal

60. Which of the following represents the correct chronological order of the establishment of key industrial institutions in Rajasthan?
(A) Directorate of Industries → Rajasthan Financial Corporation (RFC) → RIICO → Bureau of Investment Promotion (BIP)
(B) Rajasthan Financial Corporation (RFC) → Directorate of Industries → BIP → RIICO
(C) RIICO → Rajasthan Financial Corporation (RFC) → Directorate of Industries → BIP
(D) BIP → RIICO → Directorate of Industries → Rajasthan Financial Corporation (RFC)

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61. The Rajasthan government is actively developing a dedicated "Medical Device Park" to boost pharmaceutical and medical equipment manufacturing in which district?
(A) Udaipur
(B) Jodhpur
(C) Bikaner
(D) Kota

62. Consider the following statements regarding the characteristics of the Delhi-Mumbai Industrial Corridor (DMIC) project:
I. It is heavily backed by financial and technical

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(D) Ownership across all major spinning and weaving units is strictly held by government-controlled public sector enterprises.

48. Match List I with List II and select the correct option.

List I: (Policy/Act/Scheme)

P. Rajasthan Industrial Development Policy

Q. Rajasthan Investment Promotion Scheme (RIPS)

R. Rajasthan MSME (Facilitation) Act

S. Rajasthan Startup Policy

List II: (Year of most recent major iteration/ enactment as of 2022)

1. 2022
2. 2019
3. 2015
4. 2022 (Revised)

(A) P-1, Q-2, R-4, S-3

(B) P-2, Q-4, R-2, S-1

(C) P-2, Q-1, R-3, S-4

(D) P-2, Q-1, R-2, S-4

49. The 'One District One Product' (ODOP) initiative implemented in Rajasthan aims primarily to achieve which of the following?

(A) Mandating that each district administratively restricts all local commercial industrial activity strictly to a single designated product line to eliminate internal market competition

(B) Enacting strict inter-district trade barriers that legally prohibit selling a district's designated specialty product anywhere outside its administrative boundaries

(C) Requiring major foreign multinational corporations to establish at least one large-scale manufacturing plant in every single administrative district

(D) Promoting and branding unique local crafts and traditional district products for export markets

50. Which scheme of the Rajasthan Government provides interest subvention on loans specifically to promote the establishment of new micro and small enterprises?

(A) Mukhyamantri Chiranjeevi Swasthya Bima Yojana Health Scheme

(B) Mukhyamantri Rajasthan Yuva Sambal Unemployment Allowance Scheme

(C) Mukhyamantri Laghu Udyog Protsahan Yojana (MLUPY)

(D) Indira Gandhi Shahari Rozgar Guarantee Urban Employment Scheme

51. Under the industrial policies of Rajasthan, what is the primary advantage conferred upon sectors categorized as "Thrust Sectors"?

(A) They are granted full statutory exemptions from complying with state and national labor welfare and safety regulations.

(B) They receive higher capital subsidies and longer tax exemptions than non-thrust sectors.

(C) They are legally required to export 100% of their total annual manufactured output to international markets.

(D) They are directly owned, operated, and administratively managed by senior state officers from RIICO.

52. Consider the following factors:

I. Availability of cheap and skilled migrant labour.

II. Abundant local cultivation of long-staple cotton in the immediate vicinity.

III. Proactive entrepreneurial capital and localized infrastructure development.

Which of the above factors have significantly contributed to the growth of the textile industry in Bhilwara?

(A) I and II only

(B) II and III only

(C) I, II and III

(D) I and III only

53. To boost the manufacturing of technical textiles and readymade garments for export, RIICO has developed a dedicated Apparel Park at which location?

(A) Mahal, Jagatpura (Jaipur)

(B) Boranada (Jodhpur)

(C) Chopanki (Bhiwadi)

(D) Mandore (Jodhpur)

54. The concept of "Deemed Approval" in Rajasthan's Single Window Clearance System implies which of the following?

(A) Industrial investment applications are automatically rejected and canceled if processing departments fail to respond within a mandatory fifteen-day timeframe.

(B) Statutory clearance applications must be personally reviewed, signed, and approved by the Chief Minister before setting up any manufacturing enterprise.

(C) Clearances are deemed granted if the

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for information technology, engineering, auto-components, and handicrafts, hosting numerous prominent private corporate entities and international multinational companies alongside domestic commercial manufacturing units.

18. (C) Rajasthan MSME (Facilitation of Establishment and Operation) Act
To foster entrepreneurship and simplify regulatory burdens, the state enacted the Rajasthan Micro, Small and Medium Enterprises Facilitation of Establishment and Operation Act. Under this legislation, newly declared micro, small, and medium enterprises can obtain an acknowledgment certificate that grants exemption from various state approvals and inspections for an initial operating period of three years.

19. (B) Developing industrial estates at block and tehsil levels
To prevent heavy urban congestion and foster balanced regional economic growth, RIICO has systematically expanded its infrastructure network into rural and semi-urban hinterlands. By establishing planned industrial estates at block and tehsil levels, the state encourages localized manufacturing investment, generates regional employment opportunities, utilizes local rural raw materials, and reduces demographic migration pressure on tier-one urban centers.

20. (D) II, III, I, IV
The districts housing these industrial parks, when arranged in alphabetical order, dictate the correct sequence. Japanese Zone at Neemrana is located in Alwar district, Mahindra World City operates in Jaipur district, Boranada Agro Food Park is situated in Jodhpur district, and the White Cement Hub at Gotan lies in Nagaur district.

21. (A) Implementation of Ease of Doing Business reforms
The Business Reform Action Plan framework, driven by the Government of India, evaluates states based on their implementation of key regulatory reforms to enhance ease of doing business. Metrics assess single-window clearance effectiveness, transparent land allotment systems, simplified labor compliance mechanisms, digitized environment permits, and reduced administrative burdens for operating commercial enterprises.

22. (C) Renewable energy and metallurgical industries
Foreign Direct Investment inflows into Rajasthan have predominantly flowed toward renewable energy generation and metallurgical industrial sectors. High solar insolation levels and extensive barren land tracts have attracted global investments into solar and wind power projects, while rich mineral reserves continue to attract international capital for metal processing, refining, and industrial manufacturing operations across the state.

23. (A) Industrial Training Institutes (ITIs)
To address industrial manpower shortages and enhance technical skill standards, Rajasthan heavily relies on Industrial Training Institutes to implement the Dual System of Training. This model combines theoretical classroom education inside vocational institutes with practical on-the-job industrial apprenticeship training within active factory environments, ensuring market-aligned technical training for the state workforce.

24. (D) Jaisalmer
Rajasthan's primary cement manufacturing belt spans districts like Chittorgarh, Nagaur, Pali, Sirohi, and Bundi due to dense concentration of accessible high-grade limestone reserves. Jaisalmer, situated in the far western desert region, possesses vast limestone deposits but lacks the dense industrial processing network and integrated clinker manufacturing hub infrastructure found across central and southern districts.

25. (B) I, II and IV only
The Rajasthan Investment Promotion Scheme provides a comprehensive incentive framework offering State Goods and Services Tax subsidies, full electricity duty exemptions for specific periods, and additional targeted benefits for identified thrust sectors. The scheme extends coverage across both manufacturing and service sectors, including IT, healthcare, logistics, and tourism, rather than restricting benefits solely to industrial manufacturing.

26. (C) Ghilot, Alwar
Following the success of the Japanese Industrial Zone at Neemrana, RIICO developed a dedicated South Korean Industrial Zone at Ghilot in Alwar district. Located strategically within the National Capital Region corridor, this enclave caters

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assistance from the Government of Japan.
II. The Western Dedicated Freight Corridor forms the logistical backbone of this project.
III. It aims to develop smart industrial cities with world-class infrastructure.
IV. It bypasses Rajasthan entirely to directly connect Gujarat with Haryana.
Which of the above statement(s) is/are correct?
(A) I, II and IV only
(B) I, II and III only
(C) II, III and IV only
(D) I, III and IV only

63. Under the RIPS framework, standard eligible industrial units generally receive what percentage of exemption on Electricity Duty for the initial specified period?
(A) 25%
(B) 50%
(C) 75%
(D) 100%

64. The concentration of salt-based chemical industries, particularly those producing sodium sulphate and sodium sulphide, is predominantly found in which region of Rajasthan?
(A) The southern Mewar rocky terrain and hilly tract
(B) The southeastern Hadoti basaltic plateau region
(C) The Sambhar-Pachpadra-Deedwana belt
(D) The southwestern Mahi river basin plains

65. Which raw material, abundantly available in the western districts of Bikaner and Barmer, supports the ceramic and refractory industries of the state?
(A) Commercial Bauxite mineral reserves
(B) High-grade Manganese ore deposits
(C) Metallurgical Chromite deposits
(D) Ball Clay and Fire Clay

66. In the context of Ease of Doing Business, what does the 'Board of Infrastructure Development and Investment Promotion' (BIDI), headed by the Chief Minister, do?
(A) It directly oversees, approves, and micro-manages the daily operational routines, payrolls, and local compliance of all small enterprises across districts.
(B) It functions exclusively as the central state-level monitoring and audit agency overseeing the implementation and fund disbursement of rural employment under MNREGA.
(C) It empowers a high-level committee to clear mega project bottlenecks.
(D) It acts as the primary public retail agency managing government emporiums, marketing local traditional handicrafts directly to foreign tourists.

NODIA

67. The RIICO has developed a dedicated 'Cyber Park' primarily to cater to the infrastructure needs of IT and software companies in which city?
(A) Ajmer
(B) Jodhpur
(C) Bhilwara
(D) Alwar

68. Match List I with List II and select the correct option.
List I: (Industrial Mineral)
P. Rock Phosphate
Q. Silica Sand
R. Limestone
S. Tungsten
List II: (Major Industrial Application)
1. Cement Manufacturing
2. Fertilizer Production
3. Glass Manufacturing
4. Defense and Filament Industry
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-3, R-1, S-4

69. Which of the following acts as the most significant deterrent to the establishment of heavy, integrated iron and steel plants in Rajasthan?
(A) Scarcity of coking coal and adequate fresh water
(B) Complete absence of professionally trained managerial talent and technical engineering workforce
(C) Stringent state environmental legislation explicitly prohibiting all heavy metallurgical processing units
(D) Widespread state economic over-reliance on traditional agricultural cash crop cultivation over industrial growth

70. The "Mukhyamantri Yuva Sambal Yojana" indirectly supports the industrial sector by focusing on which aspect of the labor force?
(A) Providing direct capital grants, equity financing, and machinery subsidies for establishing new heavy manufacturing plants

ANSWERS

1. (D) Traditional handicraft and cottage industries supported by local patronage
Prior to independence, Rajasthan lacked a large-scale modern industrial base due to political fragmentation across princely states and limited infrastructural development. The regional economy relied heavily on traditional handicrafts, handloom weaving, pottery, metal crafts, and cottage enterprises. These specialized traditional sectors were sustained primarily through royal patronage and support from local rulers and merchant classes.

2. (C) Rajasthan State Industrial and Mineral Development Corporation (RSIMDC)
The establishment of the Rajasthan State Industrial and Mineral Development Corporation in March 1969 marked a crucial structural shift toward planned industrialization. This apex organization was created to foster organized industrial expansion, develop planned estates, and promote mineral resource utilization. It was later bifurcated in January 1980 into dedicated bodies for industrial investment and mineral development.

3. (B) Synthetic blending, spinning, and suiting fabric production
Bhilwara earned global recognition as the primary textile city of Rajasthan due to its immense concentration of synthetic blending, yarn spinning, and suiting fabric manufacturing. The hub produces vast quantities of polyester-viscose blended yarn and woven fabrics on advanced shuttleless looms, catering extensively to both national apparel markets and international textile export destinations.

4. (D) Discharge of untreated chemical effluent from textile dyeing units into the Bandi River
The textile cluster in Pali has faced severe environmental regulatory scrutiny and judicial intervention due to widespread pollution of the Bandi River. Numerous textile processing and dyeing units historically discharged untreated toxic chemical effluents directly into local drainage systems, severely contaminating groundwater sources, damaging surrounding agricultural land, and exceeding environmental carrying capacity.

5. (A) P-3, Q-4, R-1, S-2
Specific industrial parks and specialized infrastructure zones in Rajasthan are geographically distributed across strategic districts. The Japanese Industrial Zone is located in Neemrana within Alwar district, while the Mega Food Park is situated at Roopangarh in Ajmer. Furthermore, the FinTech Park has been established in Jaipur, and the dedicated Spices Park operates in Jodhpur.

6. (C) Direct proximity to the National Capital Region and the Gurugram-Manesar industrial hub
The rapid evolution of Bhiwadi into a major industrial power cluster stems primarily from its geographical position near the National Capital Region. Located in Alwar district adjacent to the Gurugram-Manesar manufacturing corridor, Bhiwadi offers seamless logistical transport connectivity, proximity to Delhi markets, access to international trade routes, and well-developed state infrastructure network facilities.

7. (A) Auto-components and light engineering goods
Bhiwadi has established itself as a premier manufacturing center in northern India, housing a dense concentration of modern auto-component production facilities and light engineering factories. The region supplies essential automotive original equipment, precision components, electrical appliances, and machinery parts to major global motor vehicle manufacturers located within the broader National Capital Region industrial cluster.

8. (D) To provide targeted financial incentives, capital subsidies, and tax concessions for new investment units
The Rajasthan Investment Promotion Scheme serves as the flagship industrial incentive framework designed to attract new private investment and promote enterprise expansion across the state. It provides comprehensive financial incentives including State Goods

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Assertion (A): The textile dyeing and printing industry in Pali faces frequent operational closures ordered by pollution control boards.
Reason (R): A majority of the units fail to adequately upgrade and maintain their Common Effluent Treatment Plants (CETPs), leading to the severe contamination of the Bandi river.
Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

79. Which of the following forms the critical backbone for ensuring continuous water supply to major RIICO industrial areas located in the arid western districts like Jodhpur and Barmer?
(A) Indira Gandhi Canal Project (IGNP)
(B) Multi-stage Chambal River lift irrigation projects
(C) Major storage facilities of Mahi Bajaj Sagar dam
(D) Integrated Bisalpur dam drinking water pipeline network

NODIA

80. Arrange the following stages of the textile manufacturing process typically observed in the integrated textile mills of the Bhilwara cluster in the correct sequential order from raw material to finished product:
I. Weaving / Knitting
II. Spinning (Yarn production)
III. Garmenting / Stitching
IV. Dyeing and Processing
Which of the following represents the correct sequential order?
(A) II, I, IV, III
(B) I, II, IV, III
(C) II, IV, I, III
(D) IV, II, I, III

(D) Total absence of operational broad-gauge railway lines and dedicated industrial rail freight transportation corridors

40. Which of the following represents the correct geographical sequence of major industrial nodes/ regions in Rajasthan from North to South?
(A) Neemrana → Bhiwadi → Pali → Kishangarh
(B) Bhiwadi → Neemrana → Kishangarh → Pali
(C) Pali → Kishangarh → Neemrana → Bhiwadi
(D) Kishangarh → Bhiwadi → Neemrana → Pali

41. How does the Rajasthan Skill and Livelihoods Development Corporation (RSLDC) primarily support the state's industrial sector?
(A) By directly overseeing, financing, and managing the day-to-day manufacturing operations of all private medium-scale industrial units
(B) By running skill training programs linked to current industrial manpower demand
(C) By granting complete statutory income tax exemptions and direct social security cash payouts to all unorganized factory workers
(D) By administratively fixing and enforcing mandatory minimum retail selling prices for all locally manufactured consumer goods

42. Consider the following statements regarding the challenges faced by industries in Rajasthan:
I. Scarcity of fresh water resources limits the growth of water-intensive industries.
II. The state's landlocked geography increases import-export logistics costs.
III. There is a severe deficit in power generation, leading to frequent industrial blackouts.
IV. The retention of highly skilled technical labor is challenged by migration to metropolitan hubs outside the state.
Which of the above statement(s) is/are correct?
(A) II, III and IV only
(B) I, II and III only
(C) I, II and IV only
(D) I, III and IV only

43. The Kishangarh industrial area in Ajmer district has achieved global prominence primarily for processing which natural resource?
(A) Commercial extraction and refining of offshore crude oil and natural gas
(B) Mining, lapidary cutting, and polishing of precious and semi-precious gemstone minerals
(C) Large-scale commercial extraction and chemical processing of rock phosphate and gypsum
(D) Processing dimension stones like marble and granite

44. To facilitate the export-import (EXIM) trade for industries in a landlocked state like Rajasthan, the government has promoted the establishment of which specific infrastructure facilities?
(A) Inland Container Depots (ICDs) and Dry Ports
(B) Artificial deep-water sea ports
(C) Floating storage regasification units (FSRUs)
(D) Exclusive cargo submarine bases

45. Which of the following best defines the "Plug and Play" infrastructure concept recently promoted by RIICO in its new industrial parks?
(A) Allocating raw unimproved plot boundaries where newly registered manufacturing units are obligated to construct all primary access roads, utility connections, and power lines from scratch
(B) Providing plug-and-play factory sheds with basic utilities for instant operational setup
(C) Providing fully subsidized, state-funded raw material inputs and component inventories directly to all registered electronic component manufacturing units
(D) Constructing eco-tourism public recreational parks and entertainment facilities immediately adjacent to designated heavy manufacturing zones

46. Gotan in Nagaur district and Kharia Khangar in Jodhpur district are renowned industrial centers for the production of which specific commodity?
(A) Portland Pozzolana Cement
(B) White Cement
(C) Synthetic Rayon
(D) Refractory Bricks

47. Identify the correct statement regarding the textile industry in Bhilwara.
(A) The cluster focuses on synthetic yarn spinning and suiting fabric production.
(B) The entire industrial processing infrastructure depends strictly on raw long-staple cotton cultivated within the district boundary.
(C) The cluster has suffered severe economic decline resulting from the total failure to adopt automated shuttleless loom technology.

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and Services Tax subsidies, capital grants, interest subvention, electricity duty exemptions, and stamp duty concessions to qualifying manufacturing and service enterprises.

9. (B) Developing industrial areas, allocating land, and building civic infrastructure
The Rajasthan State Industrial Development and Investment Corporation acts as the premier agency for planned industrial growth across the state. Its primary responsibilities involve acquiring land, developing modern industrial parks, allocating enterprise plots, constructing basic civic infrastructure like roads and power networks, and offering financial assistance for setting up industrial manufacturing facilities.

10. (C) I and II only
The Delhi-Mumbai Industrial Corridor incorporates major infrastructure nodes within Rajasthan, as nearly 39 percent of the Western Dedicated Freight Corridor passes through the state. The Khushkhera-Bhiwadi-Neemrana Investment Region is being developed as a flagship industrial node. Funding for this project relies on government contributions and Japanese partnership assistance rather than World Bank financing.

11. (C) 2011
To streamline administrative processes and create a business-friendly environment, the state government enacted the Rajasthan Enterprises Single Window Enabling and Clearance Act in 2011. This statutory framework established time-bound regulatory clearances, digitized approval systems, and created institutional mechanisms to facilitate industrial investments and reduce procedural delays for emerging industrial projects across Rajasthan.

12. (A) Gems and Jewellery
Sitapura Industrial Area in Jaipur features a dedicated Special Economic Zone specifically established to promote the export of gems and jewellery. Jaipur has historically been a premier center for lapidary work, precious stone cutting, and fine jewellery craftsmanship. The SEZ provides specialized infrastructure, custom duty exemptions, and export facilitation facilities for registered manufacturing units.

13. (B) Abundant availability of high-grade limestone reserves
The cement manufacturing industry in Rajasthan is concentrated along the Chittorgarh, Pali, Nagaur, and Sirohi belt due to vast deposits of high-grade limestone. Because cement production requires bulky, raw material inputs in large quantities, manufacturing plants are strategically located directly near mineral quarry sites to minimize heavy raw material transportation and operational production expenses.

14. (B) Acute scarcity of perennial surface fresh water sources
Western Rajasthan faces significant natural constraints for setting up heavy metallurgical and heavy industrial enterprises due to severe water scarcity. Deep ground water table depletion and lack of perennial surface river streams create severe operational challenges for water-intensive heavy manufacturing, mineral processing, cooling systems, and large-scale industrial chemical operations across desert regions.

15. (C) Assertion (A) is true but Reason (R) is false.
Bhilwara has successfully established itself as the leading textile hub in Rajasthan through entrepreneurship, specialized infrastructure, synthetic fabric focus, and skilled workforce availability. However, high atmospheric humidity is required for natural cotton spinning rather than synthetic weaving, and the arid climate of western Rajasthan does not naturally provide such humid conditions for spinning activities.

16. (C) Jaipur
Jaipur has emerged as the central nucleus of the tech startup ecosystem in Rajasthan, backed by state initiatives and advanced infrastructure. The state government established the flagship Bhamashah Techno Hub in Jaipur, offering comprehensive incubation facilities, co-working spaces, mentoring programs, and direct venture funding connections to nurture innovative technology-driven startup enterprises across diverse commercial sectors.

NODIA

17. (D) It is exclusively reserved for Public Sector Undertakings (PSUs).
Mahindra World City in Jaipur operates as a prominent multi-product Special Economic Zone established through a public-private partnership between the Mahindra Group and RIICO. The zone features dedicated sectoral clusters

(B) Enacting strict mandatory quotas forcing all private sector industries to hire exclusively local university graduates
(C) Providing youth unemployment allowances linked to skill training
(D) Subsidizing public transportation pass expenditures and daily commuting costs for all registered industrial factory laborers

71. In recent years, Rajasthan has aggressively promoted the manufacturing of Electric Vehicles (EVs) and EV batteries. Which scheme specifically complements RIPS by offering additional incentives to buyers of EVs in the state?
(A) Rajasthan Electric Vehicle Policy (REVP)
(B) Mukhyamantri State Vidyut Protsahan Yojana Scheme
(C) Rajasthan Comprehensive Saur Urja Niti Framework
(D) National Green Energy Transmission Corridor Scheme

72. Consider the following statements regarding the impact of the Delhi-Mumbai Industrial Corridor (DMIC) on Rajasthan's economy:
I. It is expected to drastically reduce transit times for Rajasthan's exports to the western ports.
II. It exclusively focuses on the agricultural development of the eastern districts.
III. It involves the development of specialized investment regions and industrial areas along its influence zone.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I, II and III
(D) I and III only

73. Which specific RIICO industrial area is renowned for the manufacturing of specialized hand tools and agricultural implements, leveraging its historical metallurgical skills?
(A) Jaisalmer
(B) Nagaur
(C) Pratapgarh
(D) Dungarpur

74. What is the fundamental difference between a regular RIICO industrial estate and a Special Economic Zone (SEZ) in Rajasthan?
(A) Regular industrial estates are reserved strictly for international corporate investments, whereas SEZs are set up exclusively for domestic micro enterprises.
(B) Regular estates offer fully subsidized free power and water, whereas SEZs impose heavily inflated utility tariffs and premium infrastructure access fees.
(C) SEZs are duty-free enclaves focused on exports, while regular estates serve domestic and export markets.
(D) SEZs operate under direct federal jurisdiction, excluding all state administrative authorities and local municipal oversight from operations.

75. Consider the following statements about the Bhiwadi Industrial Area:
I. It is part of the Khushkhera-Bhiwadi-Neemrana Investment Region.
II. It benefits significantly from the proximity to the Indira Gandhi International Airport in Delhi.
III. It suffers from cross-border environmental regulatory issues due to its location in the NCR.
IV. It is the largest producer of raw long-staple cotton in the state.
Which of the above statement(s) is/are correct?
(A) I, III and IV only
(B) II, III and IV only
(C) I, II, III and IV
(D) I, II and III only

76. To support the leather industry and manage its distinct environmental needs, RIICO has established a dedicated Leather Complex at which location?
(A) Manpur Macheri, Jaipur
(B) Sitapura, Jaipur
(C) Boranada, Jodhpur
(D) Karni, Bikaner

77. To reduce the cement industry's dependence on traditional limestone and to promote waste utilization, modern cement plants in Rajasthan increasingly utilize which by-product from thermal power plants?
(A) Slag
(B) Fly ash
(C) Silica fume
(D) Red mud

78. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).

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specifically to South Korean manufacturing firms operating in electronics, auto-components, chemical processing, and specialized engineering industries with modern infrastructural facilities.

27. (D) Beawar
The history of modern mechanized textile manufacturing in Rajasthan began in 1889 with the establishment of Seth Damodar Das Rathi's Krishna Mills Limited at Beawar. This pioneering venture established the foundation for modern industrial spinning and weaving units in the region, taking advantage of local raw cotton trading routes and broad-gauge rail transit connections.

28. (A) P-2, Q-1, R-4, S-3
Major industrial sectors in Rajasthan exhibit clear geographic specialization. Kishangarh in Ajmer is a world-renowned market and processing hub for marble stone. Dholpur is prominent for modern glass container manufacturing. Pali is famous for textile processing, fabric dyeing, and printing units, while Bhiwadi in Alwar leads in automobile component and light engineering production.

29. (B) RajNivesh
RajNivesh serves as the single-window online platform designed to streamline investment approvals and administrative clearances across government departments in Rajasthan. The portal provides investors with unified application tracking, digitized processing of statutory permissions, time-bound regulatory clearances, and transparent inter-departmental coordination to facilitate hassle-free establishment and expansion of business enterprises throughout the state.

30. (B) The state possesses a fully developed network of navigable inland waterways for cheap industrial freight transport.
Rajasthan is a landlocked state with predominantly arid geography and seasonal, non-perennial river systems, making the development of commercial navigable inland waterways impractical. Industrial freight transport across the state relies entirely on well-connected road networks, extensive broad-gauge railway corridors, dry ports, and specialized freight transport infrastructure rather than inland water shipping channels.

NODIA

31. (A) It is deemed foreign territory for trade operations, tariffs, and duties.
Under the Special Economic Zones Act, an SEZ is legally treated as a foreign territory for trade operations, customs tariffs, and commercial duties. Goods and services supplied into an SEZ from domestic areas are treated as exports, while manufacturing units inside the zone enjoy customs duty exemptions, simplified clearance procedures, and dedicated export-oriented infrastructure.

32. (C) I and II only
The iStart initiative is the flagship startup program launched by the Department of Information Technology and Communication in Rajasthan. It functions as a single-window portal providing incubation, mentorship, venture capital access, and rating frameworks for entrepreneurs. Financial benefits, seed grants, and incubation assistance under iStart are offered across all eligible startups without gender-based restriction.

33. (D) Textile dyeing and processing
The Common Effluent Treatment Plants in Pali were constructed specifically to collect, treat, and neutralize high volumes of liquid chemical effluents produced by hundreds of local textile dyeing, fabric processing, and printing units. These collective treatment facilities aim to remove toxic chemicals, balance pH levels, and curb harmful river discharges, protecting surrounding agricultural lands.

34. (C) Setting up dedicated thrust-sector industrial parks in backward and tribal regions
The Rajasthan Industrial Development Policy 2019 prioritizes balanced regional growth by incentivizing investment in underdeveloped, backward, and tribal districts. To reduce regional economic disparities, the policy promotes setting up dedicated thrust-sector industrial parks, offering tailored financial subsidies, infrastructure support, and administrative facilitation to encourage decentralized industrial development across all geographic regions.

35. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Cement manufacturing requires large quantities of limestone and clay, making it a classic weight-losing process where raw material weight far

specialized testing laboratories, trade exhibition centers, and streamlined infrastructure tailored specifically for modern textile, garmenting, and fashion design units.

54. (C) Clearances are deemed granted if the authority fails to decide within the statutory limit.
Deemed Approval under the Single Window Clearance framework ensures that if a competent government authority fails to grant or reject a statutory business application within the mandatory prescribed timeframe, the clearance is legally treated as approved. This administrative principle eliminates bureaucratic delays and enforces accountability among regulatory departments processing business licenses.

55. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Rajasthan attracts substantial Foreign Direct Investment in solar power generation and equipment manufacturing due to its exceptional natural solar resources. The state experiences high solar irradiance levels for over three hundred days annually and possesses vast expanses of flat, non-agricultural arid land ideal for setting up ultra-mega solar power parks.

56. (D) To integrate rail and road freight transport to lower industrial logistics costs
Multi-Modal Logistics Parks in Rajasthan are developed to streamline supply chain networks by seamlessly integrating road, rail, and inland container transportation systems. These integrated logistics hubs offer modern mechanized warehousing, cold storage facilities, customs clearance zones, and container handling yards, significantly reducing inter-modal freight transfer times and lowering overall logistics operational costs.

57. (B) Mechanized block printing and synthetic fabric dyeing
The traditional hand-dyeing and tie-and-dye craft of Pali has evolved into a massive, mechanized industrial cluster focused on synthetic fabric dyeing, processing, and high-volume screen printing. Hundreds of modern industrial processing plants in Pali process cotton and synthetic fabrics, supplying dyed materials and printed textiles to consumer markets across India.

58. (C) Graded Response Action Plan (GRAP) restrictions imposed due to severe NCR air pollution
Being located within the National Capital Region, the industrial area of Bhiwadi experiences mandatory operational restrictions under the Graded Response Action Plan during autumn and winter months. Severe atmospheric pollution across NCR triggers statutory bans on diesel generator sets, industrial boiler operations, non-essential manufacturing processes, and construction activities, disrupting regular industrial production output.

59. (D) Coal
Cement manufacturing requires high thermal energy to achieve the elevated temperatures needed inside rotary clinker kilns. High-grade thermal coal is the primary fuel source utilized by Rajasthan's cement plants. Because local coal availability is minimal, cement companies must transport large volumes of thermal coal from eastern Indian coalfields or import high-calorific coal.

60. (A) Directorate of Industries → Rajasthan Financial Corporation (RFC) → RIICO → Bureau of Investment Promotion (BIP)
The historical establishment of key industrial promotion institutions in Rajasthan followed a progressive administrative sequence. The Directorate of Industries was established in 1949, followed by the Rajasthan Financial Corporation in 1955. RIICO was established in 1969, while the Bureau of Investment Promotion was subsequently set up in 1991 to facilitate mega-investment projects.

61. (B) Jodhpur
Rajasthan is developing a dedicated Medical Device Park at Boranada in Jodhpur district to boost healthcare manufacturing and medical equipment production. The park provides specialized testing facilities, uninterrupted industrial utilities, zero-liquid-discharge infrastructure, and regulatory assistance, attracting investment in surgical equipment, diagnostic devices, precision medical tools, and hospital consumable manufacturing.

62. (B) I, II and III only
The Delhi-Mumbai Industrial Corridor is a flagship infrastructure project developed with major technical and financial collaboration

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warehousing, and seamless inter-modal rail-road connectivity to major ocean ports along India's western coast.

45. (B) Providing plug-and-play factory sheds with basic utilities for instant operational setup
The plug-and-play infrastructure model developed by RIICO offers pre-constructed factory sheds and ready industrial space equipped with standard utilities like high-voltage power connections, water lines, and communication links. This allows manufacturing enterprises to install production machinery and commence commercial operations immediately without spending initial capital and time on civil building construction.

46. (B) White Cement
Gotan in Nagaur district and Kharia Khangar in Jodhpur district are nationally recognized centers for white cement manufacturing. These locations host major production plants operated by leading industrial groups, leveraging exceptionally high-purity limestone deposits with negligible iron content, which is required to produce high-grade white portland cement for specialized architectural and construction applications.

47. (A) The cluster focuses on synthetic yarn spinning and suiting fabric production.
The textile industrial cluster in Bhilwara specializes in processing synthetic fibers, blended yarn spinning, and polyester-viscose suiting fabric manufacturing. Rather than relying on local cotton cultivation or state ownership, the hub consists of privately owned, highly modernized units utilizing advanced shuttleless looms and automated processing lines to produce vast quantities of synthetic textiles.

48. (C) P-2, Q-1, R-3, S-4
Key industrial policy initiatives in Rajasthan reflect strategic policy updates over time. The Rajasthan Industrial Development Policy was notified in 2019, followed by the landmark Rajasthan Investment Promotion Scheme introduced in 2022. The MSME Facilitation Act was enacted in 2015 to simplify startup regulations, while the state revised its Startup Policy in 2022.

49. (D) Promoting and branding unique local crafts and traditional district products for export markets
The One District One Product initiative in Rajasthan aims to select, brand, and promote unique local handicrafts, agricultural produce, and specialty products specific to each district. By providing technical upgrades, credit access, modern packaging support, and international marketing channels, ODOP transforms traditional district crafts into globally competitive and exportable products.

50. (C) Mukhyamantri Laghu Udyog Protsahan Yojana (MLUPY)
The Mukhyamantri Laghu Udyog Protsahan Yojana provides financial assistance and subsidized institutional credit to encourage new micro, small, and medium enterprises across Rajasthan. The scheme offers interest subvention ranging from five to eight percent on subsidized loans up to ten crore rupees, facilitating easy capital access for establishing manufacturing, trading, and service enterprises.

51. (B) They receive higher capital subsidies and longer tax exemptions than non-thrust sectors.
Under the industrial policy framework of Rajasthan, industries identified as Thrust Sectors are prioritized for accelerated growth due to their high employment potential and export capabilities. Consequently, eligible units in thrust sectors receive enhanced investment subsidies, extended tax exemptions, higher interest subvention rates, and priority land allotment in state-developed industrial parks.

52. (D) I and III only
The remarkable development of the Bhilwara textile hub is driven primarily by entrepreneurial vision, localized processing infrastructure, modern shuttleless loom technology, and access to a disciplined, skilled workforce. The cluster focuses heavily on synthetic and blended fabrics using imported or domestic synthetic fibers, rather than depending on local raw cotton cultivation in surrounding areas.

53. (A) Mahal, Jagatpura (Jaipur)
RIICO developed a specialized Apparel Park at Mahal in the Jagatpura area of Jaipur to promote garment manufacturing, fashion design, and readymade apparel exports. The dedicated park offers plug-and-play factory space,

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CHAPTER 19

Small Scale, Cottage and Village Industries of Rajasthan

1. Which of the following is the defining characteristic of a traditional cottage industry in Rajasthan?
(A) It relies entirely on imported foreign raw materials sourced through global suppliers.
(B) It is generally home-based and operated by family members using local resources.
(C) It is driven primarily by modern automated machinery installed in industrial plants.
(D) It requires a minimum capital investment exceeding ten crore rupees for operations.

2. The Rajasthan Khadi and Village Industries Board (KVIB) was established in which year to promote traditional rural enterprises?
(A) 1947
(B) 1955
(C) 1972
(D) 1995

3. Which of the following is NOT typically classified as a traditional village or cottage industry in Rajasthan?
(A) Leather Mojari crafting
(B) Handloom weaving
(C) Petroleum refining
(D) Pottery making

4. What is the name of the official retail marketing brand established by the Rajasthan Small Industries Corporation (RAJSICO) to sell products of local artisans?
(A) Rajdarpan
(B) Shilpgram
(C) Rajcrafts
(D) Rajasthali

5. Which raw material is distinctly avoided in the traditional production process of Jaipur's famous Blue Pottery?
(A) Quartz powder
(B) Sodium sulphate
(C) Common clay
(D) Multani mitti (Fuller's earth)

6. Why are cottage and village industries considered highly significant for the rural economy of Rajasthan?
(A) They serve as the primary destination for foreign direct investment across rural districts.
(B) They generate rural non-farm employment with low capital investment.
(C) They utilize heavy industrial infrastructure and power grids to process minerals.
(D) They are officially designated as the only entities completely exempt from income tax.

7. The traditional leather footwear known as 'Mojari' is predominantly manufactured as a cottage industry in which prominent cluster of Rajasthan?
(A) Jaisalmer and Barmer
(B) Kota and Bundi
(C) Dungarpur and Banswara
(D) Jodhpur and Bikaner

NODIA

8. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Cottage industries play a vital role in women's empowerment in rural Rajasthan.
Reason (R): Most traditional craft-based activities can be operated from home alongside domestic responsibilities, providing financial independence to women.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

9. Under the Mukhyamantri Laghu Udyog Protsahan Yojana (MLUPY) in Rajasthan, what is the maximum interest subsidy percentage provided on bank loans up to Rs. 25 lakh?
(A) 5 percent
(B) 6 percent

from Japan. The project leverages the Western Dedicated Freight Corridor to create high-impact smart industrial cities along its alignment. The corridor passes directly through Rajasthan, developing key investment nodes like the Khushkhera-Bhiwadi-Neemrana region.

63. (D) 100%
Under the provisions of the Rajasthan Investment Promotion Scheme, eligible new industrial enterprises and expanding units receive a complete one hundred percent exemption from Electricity Duty for a specified initial period. This total tax exemption significantly lowers initial operational energy expenses, promoting manufacturing competitiveness and incentivizing capital investment across key state economic sectors.

64. (C) The Sambhar-Pachpadra-Deedwana belt
The concentration of salt-based chemical industries is centered around the hypersaline lakes and playa basins of Sambhar, Pachpadra, and Deedwana. The abundance of natural sodium chloride and mineral-rich brine supports processing plants that manufacture commercial sodium sulphate, sodium sulphide, caustic soda, and refined industrial salts utilized extensively in textile, glass, and paper manufacturing.

65. (D) Ball Clay and Fire Clay
The ceramic and refractory manufacturing industries in Rajasthan rely on extensive deposits of high-grade Ball Clay, Fire Clay, and China Clay found in Bikaner and Barmer districts. These plastic, heat-resistant clay minerals serve as critical raw inputs for manufacturing ceramic tiles, sanitaryware, porcelain insulators, and refractory bricks capable of withstanding industrial high-temperature kiln operations.

66. (C) It empowers a high-level committee to clear mega project bottlenecks.
The Board of Infrastructure Development and Investment Promotion, chaired by the Chief Minister, functions as the top decision-making authority for industrial growth in Rajasthan. BIDI is empowered to grant customized incentive packages, resolve inter-departmental policy bottlenecks, approve major land allocations, and expedite clearances for mega investment proposals exceeding standard institutional frameworks.

67. (B) Jodhpur
RIICO established a specialized Cyber Park in Jodhpur to foster software development, IT services, and digital innovation in western Rajasthan. The park provides reliable high-speed optical fiber connectivity, advanced data infrastructure, uninterrupted power back-up, plug-and-play office complexes, and specialized amenities designed to meet the operational demands of growing technology companies.

68. (D) P-2, Q-3, R-1, S-4
Industrial minerals in Rajasthan serve distinct manufacturing applications. Rock phosphate is essential for chemical fertilizer production. Silica sand provides the fundamental silica raw material for glass manufacturing. High-grade limestone is the primary raw material for cement production, while tungsten is utilized in high-temperature filaments, defense hardware, and industrial cutting tools.

69. (A) Scarcity of coking coal and adequate fresh water
The primary deterrent preventing the establishment of large integrated iron and steel plants in Rajasthan is the total absence of metallurgical coking coal reserves and acute scarcity of abundant surface water. Primary steel production requires vast quantities of coking coal for blast furnace reduction and continuous water supplies for cooling, which are scarce within the state.

70. (C) Providing youth unemployment allowances linked to skill training
The Mukhyamantri Yuva Sambal Yojana supports the industrial labor landscape by linking financial unemployment allowances for educated youth with mandatory vocational skill training or public department internships. This framework enhances practical work experience, builds workplace competencies, improves employability, and supplies trained local human resources to meet growing manpower demands in the industrial sector.

71. (A) Rajasthan Electric Vehicle Policy (REVP)
The Rajasthan Electric Vehicle Policy complements the broader RIPS investment framework by encouraging the adoption and manufacture of electric vehicles. The policy offers direct financial subsidies to EV purchasers, waives road taxes and registration fees, and

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exceeds final output weight. Consequently, heavy cement plants in Rajasthan are heavily concentrated in Chittorgarh and Nimbahera, directly adjacent to high-quality limestone deposits, minimizing high long-distance bulk raw material transit costs.

36. (D) Bureau of Investment Promotion (BIP)
The Bureau of Investment Promotion acts as the dedicated nodal agency responsible for facilitating large-scale investments and mega industrial projects in Rajasthan. BIP provides personalized investor servicing, facilitates inter-departmental approvals, addresses administrative bottlenecks, and coordinates with high-level government committees to ensure smooth implementation of high-value private investment proposals across key sectors.

37. (A) Footloose industry
The IT and software development industries operating in Jaipur's technology parks exemplify footloose industries. They are not bound by raw material locations, bulky physical inputs, or weight-losing manufacturing constraints. Instead, footloose sectors depend heavily on digital infrastructure, highly educated technical talent, reliable power supply, and urban civic amenities, allowing setup across diverse geographical locations.

38. (C) Barmer
The establishment of a Petroleum, Chemicals and Petrochemicals Investment Region is centered in Barmer district, driven by massive crude oil discoveries in the Mangala, Bhagyam, and Aishwariya fields. Coupled with the development of the greenfield oil refinery and petrochemical complex at Pachpadra, Barmer is transforming into a premier hub for downstream chemical manufacturing.

39. (A) Higher freight costs resulting from the lack of direct maritime port connectivity
As a landlocked state, Rajasthan lacks direct access to sea ports, creating a inherent logistical disadvantage for export-oriented manufacturing sectors compared to coastal states. Industrial exporters must transport raw materials and finished goods over long distances via rail or road to western ports like Kandla and Mundra, incurring elevated freight costs and longer shipping transit times.

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40. (B) Bhiwadi → Neemrana → Kishangarh → Pali
Tracing the geographical location of major industrial clusters in Rajasthan from north to south yields a precise sequence. Bhiwadi in northern Alwar sits closest to the NCR border, followed by Neemrana in southern Alwar. Kishangarh lies further south in central Ajmer district, while Pali is situated even further south in the western Marwar region.

41. (B) By running skill training programs linked to current industrial manpower demand
The Rajasthan Skill and Livelihoods Development Corporation supports industrial growth by executing demand-driven vocational training initiatives. RSLDC collaborates with industrial associations to map workforce requirements, designs market-relevant skill curricula, and trains local youth across diverse manufacturing and service trades, effectively bridging the human resource gap between job seekers and industrial employers.

42. (C) I, II and IV only
Major constraints facing Rajasthan's industrial sector include severe scarcity of water for industrial processing, elevated logistics costs from being landlocked, and brain drain of technical talent toward larger metro cities. Conversely, Rajasthan has overcome past power deficits through massive solar, wind, and thermal power additions, maintaining a comfortable power surplus state position.

43. (D) Processing dimension stones like marble and granite
The Kishangarh industrial hub in Ajmer district has gained international fame as a global trading and processing center for dimension stones, particularly marble and granite. Kishangarh houses hundreds of high-capacity stone gang-saw units, modern cutting and polishing plants, and extensive marble display yards, processing both indigenous and imported raw stone blocks.

44. (A) Inland Container Depots (ICDs) and Dry Ports
To support export-import trade for manufacturing industries in landlocked Rajasthan, the state government and private developers established Inland Container Depots and dry ports at strategic locations like Jaipur, Jodhpur, Bhilwara, and Bhiwadi. These facilities provide customs clearance, container handling,

for dyeing and finishing. Finally, the processed textile material undergoes garmenting, tailoring, and stitching into finished apparel.

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development institutions in Rajasthan, from earliest to latest:
(A) KVIB → RAJSICO → RUDA
(B) RAJSICO → KVIB → RUDA
(C) RUDA → RAJSICO → KVIB
(D) KVIB → RUDA → RAJSICO

19. Which sub-sector of the cottage industry currently employs the highest number of women in rural Rajasthan?
(A) Mining and quarrying of minor minerals
(B) Iron foundry and heavy metal casting
(C) Handloom textiles and handicrafts
(D) Automobile components and parts manufacturing

20. Consider the following statements regarding the promotion of MSMEs and cottage industries in Rajasthan:
I. The Rajasthan MSME (Facilitation of Establishment and Operation) Act exempts new units from specific approvals and inspections for a few years.
II. Zero Defect Zero Effect (ZED) certification is encouraged to improve product quality.
III. The state provides capital subsidies to eligible new micro-enterprises.
IV. Artisans are prohibited by state law from exporting their goods directly.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) I, II and IV

21. Which of the following statements about the Handloom industry in Rajasthan is entirely incorrect?
(A) Handloom weaving represents one of the oldest and most widespread traditional cottage industries across the state.
(B) It faces continuous and intense market competition from modern mechanized high-speed power looms.
(C) All handloom products in the state must be purchased by the government.
(D) The sector requires specialized institutional support for skill preservation and technical weaving maintenance.

22. As per general definitions adopted by village industry boards, a 'Village Industry' is typically characterized by:
(A) Continuous employment of more than five hundred full-time industrial workers per manufacturing unit.
(B) Location in a rural area with limited capital investment per head.
(C) Permanent operation strictly within the municipal corporation territorial limits of a tier-1 metropolitan city.
(D) Compulsory commercial partnership agreements with major foreign multinational corporate entities.

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23. What is the primary obstacle rural artisans in Rajasthan face when trying to adopt digital marketing and e-commerce?
(A) Excessive over-saturation of high-speed fiber optic internet infrastructure across all rural areas.
(B) Enforcement of strict constitutional prohibitions against selling cultural heritage products online.
(C) Total structural absence of public postal and courier delivery networks across all rural districts.
(D) Lack of digital literacy and platform logistics knowledge.

24. 'Amrita Haat' organized frequently by the Rajasthan Government is primarily aimed at:
(A) Marketing products made by Women Self Help Groups.
(B) Procuring advanced heavy industrial machinery for large private manufacturing sectors.
(C) Distributing subsidized synthetic chemical fertilizers to commercial agricultural producers.
(D) Promoting eco-tourism packages tailored specifically for international wildlife photographers.

25. Consider the following statements regarding the role of cooperative societies in Rajasthan's village industries:
I. They help in bulk procurement of raw materials at reasonable rates for artisans.
II. They ensure collective marketing to eliminate rural middlemen.
III. They mandate that artisans must surrender all private land to the government.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

(C) 8 percent
(D) 10 percent

10. Consider the following statements regarding the Rajasthan Small Industries Corporation (RAJSICO):
I. It was established in the year 1961.
II. It provides marketing support to artisans through 'Rajasthali' emporia.
III. It operates Inland Container Depots (ICDs) to facilitate exports.
IV. It provides large-scale heavy machinery to cement plants in Rajasthan.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) I, II, III and IV

11. Which village in Rajasthan is globally recognized for its traditional Terracotta cottage industry, specifically for making clay plaques of local deities?
(A) Kaithoon
(B) Akola
(C) Pipar
(D) Molela

12. Match List I with List II:
List I: Traditional Craft
P. Usta Art
Q. Thewa Art
R. Ajrakh Print
S. Badla (Zinc water bottles)
List II: Major District/Centre in Rajasthan
1. Jodhpur
2. Barmer
3. Pratapgarh
4. Bikaner
Which of the following is the correct matching?
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-3, R-2, S-4

13. Which specialized agency was created by the Rajasthan Government in 1995 explicitly to promote the rural non-farm sector including leather, wool, and minor minerals?
(A) RIICO
(B) RAJSICO
(C) RUDA
(D) RFC

14. What is the most common reason that traditional village artisans in Rajasthan face difficulties in accessing formal institutional credit?
(A) They maintain excessively high credit ratings that disqualify them from receiving state subsidies.
(B) Commercial banks are strictly prohibited by central banking regulations from funding cottage units.
(C) Artisans preferentially seek international venture capital funding rather than local banking loans.
(D) They lack collateral such as registered land titles or capital assets.

15. Consider the following statements about the 'Mojari' craft in Rajasthan:
I. It is a prominent traditional leather craft providing significant rural employment.
II. It is entirely manufactured using synthetic plastic and rubber to save costs.
III. Certain regional varieties of this craft have been recognized under the GI registry.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

16. The geographical cluster approach in promoting small scale industries is beneficial primarily because:
(A) It completely isolates traditional artisans from urban market competition to preserve cultural heritage.
(B) It enables shared resources, common infrastructure, and skilled labour.
(C) It permanently eliminates the need for financial grants or government subsidy interventions.
(D) It legally restricts participating artisans from selling their crafted goods outside regional boundaries.

17. The famous 'Kota Doria' fabric is traditionally woven on handlooms primarily in which of the following village clusters?
(A) Sanganer
(B) Kaithoon
(C) Akola
(D) Pipar

18. Choose the correct chronological sequence of the establishment of the following industrial

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incentivizes setting up battery manufacturing facilities, component units, and charging station infrastructure across urban and industrial centers.

72. (D) I and III only
The Delhi-Mumbai Industrial Corridor substantially benefits Rajasthan's manufacturing economy by establishing high-speed rail freight connectivity, significantly reducing export transit times to western sea ports. The project develops specialized investment regions, smart industrial nodes, and high-capacity logistics hubs along its influence zone, promoting heavy engineering and industrial growth rather than focusing exclusively on agricultural activities.

73. (B) Nagaur
The industrial estates of Nagaur district are historically famous for manufacturing hand tools, iron implements, and agricultural equipment. Building on generations of traditional blacksmithing expertise, local micro and small enterprises utilize modernized machinery to manufacture high-quality iron hand tools, cutting implements, agricultural machinery, and hardware items distributed across national industrial markets.

74. (C) SEZs are duty-free enclaves focused on exports, while regular estates serve domestic and export markets.
Special Economic Zones in Rajasthan function as duty-free foreign trade enclaves designed specifically to boost export manufacturing, offering targeted tax concessions, simplified customs procedures, and foreign currency trade facilities. In contrast, standard RIICO industrial estates cater primarily to domestic market production, local trade distribution, and general industrial setup without export-oriented regulatory frameworks.

75. (D) I, II and III only
Bhiwadi Industrial Area forms a core part of the Khushkhera-Bhiwadi-Neemrana Investment Region and benefits from proximity to Delhi's international airport. However, its NCR location subjects units to strict inter-state environmental regulations under GRAP during severe winter smog episodes. Bhiwadi specializes in engineering and auto components, rather than raw cotton production.

76. (A) Manpur Macheri, Jaipur
To support the traditional leather processing sector and mitigate environmental hazards, RIICO established a specialized Leather Complex at Manpur Macheri in Jaipur district. The complex provides dedicated infrastructure including modern leather processing units, specialized CETP facilities for tannery effluent treatment, water recovery systems, and centralized waste management designed specifically for leather manufacturing.

77. (B) Fly ash
Cement plants in Rajasthan increasingly incorporate fly ash—a industrial by-product obtained from coal-fired thermal power stations—to manufacture Portland Pozzolana Cement. Blending fly ash with clinker reduces raw limestone consumption, lowers carbon emissions during calcination, conserves natural mineral resources, and utilizes thermal power waste, creating an environmentally sustainable building material.

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78. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
The textile processing industry in Pali faces regulatory shutdown orders from environmental authorities due to high pollution levels. The primary cause is that existing Common Effluent Treatment Plants often become overloaded or encounter operational failures, resulting in untreated acidic chemical dye waste overflowing directly into the Bandi River, causing severe ecological degradation.

79. (A) Indira Gandhi Canal Project (IGNP)
The Indira Gandhi Canal Project serves as the vital lifeline providing dedicated industrial water allocations to major RIICO industrial areas in arid western districts like Jodhpur, Bikaner, and Barmer. By bringing perennial Himalayan river waters across the Thar Desert, the canal system supports industrial manufacturing, mineral processing plants, and commercial infrastructure.

80. (A) II, I, IV, III
The sequential operational workflow in integrated textile manufacturing begins with yarn production through spinning raw fibers. Next, the spun yarn undergoes weaving or knitting to construct grey fabric. This fabric is subsequently transferred to processing facilities

26. Namda, a traditional woollen felt craft requiring pressing instead of weaving, is historically concentrated in which district of Rajasthan?
(A) Tonk
(B) Udaipur
(C) Banswara
(D) Sriganganagar

27. Which specific artisan group is the primary beneficiary of the 'Mukhyamantri Bunkar Samman Yojana' run by the state government?
(A) Clay potters
(B) Leather workers
(C) Blue pottery artisans
(D) Handloom weavers

28. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Securing a Geographical Indication (GI) tag helps in the export promotion of Rajasthan's traditional crafts like Sanganeri block prints.
Reason (R): The GI tag provides legal protection against unauthorized copying and guarantees the geographical authenticity of the product to global buyers.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

29. The Rajasthan Export Promotion Council (REPC) was constituted to support local industries. In which year was it formally established?
(A) 1980
(B) 1991
(C) 2005
(D) 2022

30. Which of the following is correctly matched regarding a traditional craft and its core raw material?
(A) Blue Pottery — Standard red clay and river sand
(B) Mojari Craft — Woven cotton yarn
(C) Kota Doria — Camel bone and horn
(D) Thewa Art — Coloured glass and gold foil

31. The Prime Minister Employment Generation Programme (PMEGP) is a major credit-linked subsidy scheme. Which nodal agency implements it at the national level for village industries?
(A) Khadi and Village Industries Commission (KVIC)
(B) Reserve Bank of India (RBI)
(C) Securities and Exchange Board of India (SEBI)
(D) National Bank for Agriculture and Rural Development (NABARD)

32. Match List I with List II:
List I: Handicraft/Textile
P. Dabu Print
Q. Wooden Toys
R. Pichhwai Paintings
S. Marble Sculptures
List II: Famous Centre in Rajasthan
1. Nathdwara
2. Akola
3. Kishangarh
4. Bassi (Chittorgarh)
Which of the following is the correct matching?
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-2, Q-1, R-4, S-3

33. Which of the following is NOT a core objective of the Rajasthan Small Industries Corporation (RAJSICO)?
(A) Marketing of traditional crafts through emporiums.
(B) Operating large-scale nuclear power generation plants.
(C) Facilitating raw material distribution to small units.
(D) Providing training programs for skill development of artisans.

34. The inherent tension between modernization and tradition in Rajasthan's handicraft sector is best described by which statement?
(A) Mass-producing ancient designs on machinery can destroy authentic craft identity.
(B) Artisans deliberately prefer cheap synthetic materials over natural inputs to preserve their cultural heritage.
(C) Modern e-commerce platforms automatically degrade the intrinsic quality of raw materials used in production.
(D) Traditional artisans universally reject commercial monetary profits in strict favour of pure aesthetic values.

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35. Consider the following statements regarding the challenges faced by cottage industries in Rajasthan:
I. They suffer from a lack of direct market linkage, heavily depending on middlemen.
II. They have access to unlimited, collateral-free credit from all private banks.
III. They face intense competition from cheaper, machine-made duplicate products.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

36. 'Kashida' or traditional embroidery work, an important cottage industry providing supplementary income to women, is predominantly famous in which region of Rajasthan?
(A) Hadoti region comprising Kota and Bundi
(B) Mewat region comprising Alwar and Bharatpur
(C) Vagad region comprising Dungarpur and Banswara
(D) Western desert region (Barmer, Jaisalmer)

37. The 'PM Vishwakarma' scheme, launched by the Central Government, primarily targets which specific group relevant to Rajasthan's rural economy?
(A) IT professionals in special economic zones
(B) Large scale mechanized farmers
(C) Traditional artisans and craftspeople
(D) Corporate retail managers

38. Arrange the logical steps involved in the 'Cluster Development Approach' for traditional village industries, from initial stage to final outcome:
1. Formation of an artisan Special Purpose Vehicle (SPV) / Cooperative.
2. Identification of geographical concentration of a specific craft.
3. Collective global marketing and export linkage.
4. Setting up a Common Facility Centre (CFC) for shared processing.
Select the correct sequence:
(A) 1, 2, 4, 3
(B) 2, 1, 4, 3
(C) 2, 4, 1, 3
(D) 4, 2, 1, 3

39. Which of the following statements correctly highlights the mandate of the Rural Non-Farm Development Agency (RUDA) in Rajasthan?
(A) It strictly deals with comprehensive agricultural crop insurance policies across rural sectors.
(B) It provides long-term residential housing loans exclusively to urban software developers.
(C) It manages civil aviation infrastructure and state international airport operations.
(D) It promotes non-farm employment in leather, wool, and minerals.

40. Consider the following crafts of Rajasthan:
I. Bagru Hand Block Print
II. Sanganeri Hand Block Print
III. Blue Pottery of Jaipur
IV. Pokaran Pottery
Which of the above traditional crafts have been officially granted Geographical Indication (GI) tags?
(A) I and II only
(B) I, II and III only
(C) II, III and IV only
(D) I, II, III and IV

41. In the context of Rajasthan's rural economy, which of the following is least likely to be considered a cottage industry?
(A) Carpet and Durrie weaving
(B) Papdi, Mangodi, and Pickle making
(C) Steel rolling mills
(D) Bidi making

42. The Rajasthan State Handloom Development Corporation (RHDC) was set up to assist traditional weavers. In which year was it established?
(A) 1969
(B) 1984
(C) 1995
(D) 2002

43. How do robust cottage and village industries help in checking rural-to-urban migration in Rajasthan?
(A) By legally restricting rural artisans from travelling to major industrial cities.
(B) By artificially reducing agricultural yields so that farm labourers are forced to stay back.
(C) By providing free subsidized urban housing apartments to registered village artisans.
(D) By providing sustainable local job

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opportunities in villages.

44. The city of Bikaner is renowned nationally and internationally for which specific village-level food processing cottage industry that holds a GI tag?
(A) Bikaneri Blue Pottery
(B) Bikaneri Bhujia
(C) Bikaneri Terracotta
(D) Bikaneri Ajrakh

45. The traditional 'Kagzi Pottery', known for its paper-thin distinct feature, is associated with which district of Rajasthan?
(A) Jodhpur
(B) Rajsamand
(C) Alwar
(D) Banswara

46. Under MSME classifications globally and in India, a 'Micro' enterprise is differentiated from a 'Small' enterprise primarily on the basis of:
(A) The total overall number of full-time female employees on the payroll.
(B) The precise geographical distance of the manufacturing enterprise from the state capital.
(C) The formal educational qualifications and technical degrees held by the founder.
(D) Investment limits in equipment and annual turnover.

47. Which scheme provides a digital platform enabling traditional artisans of Rajasthan to register themselves officially as MSMEs without extensive paperwork?
(A) Udyam Registration
(B) E-Gram Swaraj
(C) Kisan Suvidha
(D) Vahan Portal

48. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The handloom weavers of Rajasthan frequently face severe crises of livelihood continuity.
Reason (R): Power looms can replicate traditional handloom designs much faster and at a considerably lower production cost.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

49. 'Gota Patti' embroidery, a famous traditional cottage industry involving appliqué work with gold or silver ribbon, is predominantly clustered in and around:
(A) Jaisalmer, Pokaran, and surrounding desert areas
(B) Jaipur and Khandela (Sikar)
(C) Udaipur, Nathdwara, and adjoining hills
(D) Bikaner, Churu, and nearby rural belts

50. Consider the following statements regarding the Rural Non-Farm Development Agency (RUDA):
I. It was established by the Government of Rajasthan in 1995.
II. It aims to create alternative avenues of employment beyond agriculture.
III. It conducts skill upgradation training for traditional artisans.
IV. It exclusively manages the distribution of heavy tractors to farmers.
Which of the above statement(s) is/are correct?
(A) I, II and III
(B) II, III and IV
(C) I, III and IV
(D) I, II, III and IV

51. The traditional craft of 'Tarakashi' (fine wire inlay work, typically silver in wood) is most famous in which town of Rajasthan?
(A) Jaipur
(B) Jodhpur
(C) Nathdwara
(D) Pushkar

52. Match List I with List II:
List I: Institution
P. Rajasthan Khadi & Village Industries Board (KVIB)
Q. Rajasthan Small Industries Corporation (RAJSICO)
R. Rajasthan State Handloom Development Corporation (RHDC)
S. Rural Non-Farm Development Agency (RUDA)
List II: Year of Establishment
1. 1961
2. 1984
3. 1995
4. 1955
Which of the following is the correct matching?
(A) P-4, Q-1, R-2, S-3

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small enterprises. The Rural Non-Farm Development Agency was established later in 1995 to specifically foster rural non-agricultural micro-enterprises.

19. (C) Handloom textiles and handicrafts
The handloom textile and handicraft sector serves as the largest employer of women in rural Rajasthan. Traditional craft activities such as spinning, embroidery, tie-dye, and block printing offer home-based flexible employment. This sector allows women to earn supplementary household income while utilizing generational artisan skills alongside domestic responsibilities within their local rural communities.

20. (A) I, II and III
State MSME promotional initiatives exempt micro and small units from routine statutory inspections under the MSME Facilitation Act while encouraging Zero Defect Zero Effect quality certifications and providing capital subsidies. Direct export by traditional artisans is fully permitted and actively encouraged through state export promotion policies, trade fairs, and specialized institutional marketing support.

21. (C) All handloom products in the state must be purchased by the government.
Handloom weaving is a vital heritage industry in Rajasthan that relies on skilled manual craftsmanship and faces tough competition from modern power looms. While government bodies and state emporia provide market support and procurement programs, there is no legal obligation or statutory requirement for the government to buy all handloom fabrics produced across the state.

22. (B) Location in a rural area with limited capital investment per head.
A village industry is legally defined as any enterprise located within a rural area that produces goods or provides services with or without power, where fixed capital investment per artisan or worker does not exceed prescribed threshold limits. These low-capital industries focus on local resource utilization, manual labor, and rural employment generation.

23. (D) Lack of digital literacy and platform logistics knowledge.
Traditional rural artisans in Rajasthan frequently struggle to transition to modern e-commerce due to limited digital literacy, lack of technical skills for digital marketing, and unfamiliarity with online order processing, product cataloging, and electronic payment gateways. Overcoming these knowledge barriers is critical to enabling rural craftspeople to connect directly with broader markets.

24. (A) Marketing products made by Women Self Help Groups.
Amrita Haat is a specialized state-sponsored exhibition organized periodically by the Department of Women and Child Development in Rajasthan. It provides a direct commercial platform for Women Self Help Groups to market their handcrafted items, processed food products, textiles, and artifacts, promoting financial independence and economic self-reliance among women micro-entrepreneurs.

25. (A) I and II only
Cooperative societies in village industries assist artisans by enabling bulk procurement of raw materials at competitive rates and facilitating collective marketing to eliminate exploiting middlemen. Joining a craft cooperative is completely voluntary and does not require artisans to surrender private land titles or capital assets to the government or cooperative leadership.

26. (A) Tonk
Tonk district is the primary traditional center for Namda making in Rajasthan. Namda is an ancient handicraft involving felting unspun wool through washing, layering, and pressing techniques rather than traditional yarn weaving. Artisans create durable woollen felt rugs and carpets adorned with colorful floral embroidery, preserving a distinct regional heritage craft.

27. (D) Handloom weavers
The Mukhyamantri Bunkar Samman Yojana is a dedicated state welfare initiative aimed at financially supporting and honoring traditional handloom weavers in Rajasthan. The scheme provides financial assistance, skill training, and institutional recognition to preserve age-old handloom techniques, improve weaver livelihoods, and maintain competitiveness against automated industrial textile manufacturing.

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63. Salawas village in the Jodhpur district is famous for which of the following traditional cottage industries?
(A) Woven Durries (Rugs)
(B) Blue Pottery
(C) Terracotta Horses
(D) Gold jewellery (Thewa)

64. Which of the following is the most appropriate reason for the significant participation of women in Rajasthan's cottage industries?
(A) Heavy state industrial laws strictly prohibit adult men from working in village enterprises.
(B) Craft activities offer flexible, home-based working conditions.
(C) Women are legally mandated by state legislation to work exclusively in cottage industries.
(D) Cottage industries consistently pay much higher salaries than the IT sector in urban areas.

65. Consider the following statements regarding the export potential of Rajasthan's traditional handicrafts:
I. Handicrafts constitute a negligible part of Rajasthan's total manufactured exports.
II. Products with a Geographical Indication (GI) tag often command a premium in international markets.
III. Government-sponsored exhibitions like trade fairs help artisans secure bulk export orders.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

66. The PM FME (Pradhan Mantri Formalisation of Micro food processing Enterprises) scheme is highly relevant for which type of village industry in Rajasthan?
(A) Micro units producing papad, pickles, and spices.
(B) Traditional rural handloom fabric weaving and dyeing clusters.
(C) Skilled artisan guilds crafting traditional leather Mojaris.
(D) Rural potters making decorative terracotta idols and plaques.

67. Which of the following is NOT a benefit of acquiring a Geographical Indication (GI) tag for a village industry product in Rajasthan?
(A) It grants comprehensive legal protection strictly to the original craft producers in that specific region.
(B) It effectively prevents unauthorized corporate entities from using the registered geographical brand name.
(C) It allows any producer worldwide to use the registered name freely.
(D) It significantly assists in brand building and steadily increases market demand for authentic products.

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68. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Collateral-based lending models severely restrict traditional artisans from expanding their cottage businesses.
Reason (R): Artisans in rural Rajasthan often lack registered land properties or substantial physical assets to pledge as security to commercial banks.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

69. 'Mathirna' and 'Usta' arts, which are traditional cottage crafts involving wall paintings and camel hide work respectively, are primarily concentrated in:
(A) Jaisalmer
(B) Udaipur
(C) Bikaner
(D) Ajmer

70. What is the key advantage of connecting rural artisan cooperatives with platforms like the Open Network for Digital Commerce (ONDC)?
(A) It legally forces rural artisans to sell their agricultural lands to large corporate entities.
(B) It allows small cottage units to reach buyers nationwide without large budgets.
(C) It strictly standardizes traditional hand-made designs, making all finished handicrafts look identical.
(D) It legally restricts traditional artisans from selling their crafted goods in local village markets.

71. The town of Mangrol in Baran district is historically known for which traditional village industry alongside Kaithoon?

(A) Jaipur Blue Pottery and glazed tile crafting
(B) Intricate sandstone architectural carving
(C) Handcrafted traditional leather Mojaris
(D) Kota Doria weaving

72. Match List I with List II:
List I: Type of Textile Craft
P. Ajrakh Print
Q. Dabu Print
R. Kota Doria
S. Lappa Lappi (Gota work)
List II: Associated Region
1. Khandela
2. Kaithoon
3. Akola
4. Barmer
Which of the following is the correct matching?
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-2, R-3, S-4

73. Which of the following state-level institutions organizes the prominent 'Khadi Gramodyog Exhibition' to promote village industries in Rajasthan?
(A) Rajasthan State Pollution Control Board
(B) Rajasthan Tourism Development Corporation (RTDC)
(C) Rajasthan Khadi & Village Industries Board (KVIB)
(D) Rajasthan State Industrial Development and Investment Corporation (RIICO)

74. Which concept explains the strategy where multiple small artisan households in a village pool money to buy bulk raw materials and share a common workshop, thereby reducing individual costs?
(A) Cluster development approach
(B) Macroeconomic deficit financing policies
(C) International foreign portfolio investment
(D) Private industrial monopoly capitalism

75. The state government's scheme that provides interest subvention to artisans, micro-enterprises, and weavers to establish or expand their units up to Rs. 10 crores is:
(A) Mukhyamantri Jal Swavlamban Abhiyan
(B) Indira Gandhi Nahar Pariyojana
(C) Bhamashah Swasthya Bima Yojana
(D) Mukhyamantri Laghu Udyog Protsahan Yojana (MLUPY)

76. Identify the correct pair regarding a Rajasthani cottage craft and its defining feature.
(A) Blue Pottery — Firing at extremely low temperatures without any glaze.
(B) Thewa Art — Fusing intricately worked gold sheet onto coloured glass.
(C) Kota Doria — Heavy winter woollen blankets with thick embroidery.
(D) Terracotta of Molela — Making metal swords and shields.

77. Which of the following is considered a negative impact of excessive modernization and mass production on traditional cottage industries?
(A) Universal availability of free state health insurance policies for all registered artisans.
(B) High-speed transport of essential raw materials directly to remote industrial villages.
(C) Loss of aesthetic value and displacement of artisans by machines.
(D) Provision of modern digital accounting and automated billing software for artisan cooperatives.

78. Arrange the typical value chain steps of a traditional artisan product (like a handcrafted Mojari) reaching an international buyer through e-commerce, in sequential order:
1. Digital cataloguing and photography of the craft.
2. Procurement of raw leather and hand-crafting the product.
3. Dispatching the packaged product via global logistics.
4. Receiving an order and payment on the online platform.
Select the correct sequence:
(A) 1, 2, 4, 3
(B) 2, 1, 4, 3
(C) 2, 4, 1, 3
(D) 1, 4, 2, 3

79. Identify the odd one out among the following traditional heritage crafts of Rajasthan based on their primary material:
(A) Usta Art
(B) Sanganeri Print
(C) Bagru Print
(D) Ajrakh Print

80. The Government of Rajasthan observes 'MSME Day' to promote awareness and launch new schemes for micro, small and medium enterprises

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including traditional village units. MSME Day is globally observed on:
(A) 15th August
(B) 27th June
(C) 26th January
(D) 2nd October

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(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-3, R-4, S-1

53. The 'Pehchan' identity card initiative launched by the central government is beneficial to Rajasthan's rural economy because it:
(A) Allows all registered marginal farmers to purchase heavily subsidized diesel fuel.
(B) Grants free international air travel passes annually to all rural villagers.
(C) Registers artisans to grant access to public schemes and trade fairs.
(D) Officially replaces the standard Aadhar card for all national and state voting purposes.

54. What is the fundamental purpose of setting up a 'Common Facility Centre' (CFC) for a rural craft cluster?
(A) To provide free permanent food and residential lodging facilities for all migrant laborers.
(B) To share expensive machinery for processing, testing, and packaging.
(C) To act as a dedicated armed police outpost for security against local rural thefts.
(D) To permanently replace all traditional hand-crafting methods with total factory automation.

55. An artisan from rural Barmer wants to sell his Ajrakh print textiles directly to customers in Delhi but has limited capital to set up a shop. Which modern intervention solves this specific market linkage challenge most effectively?
(A) Setting up a fully automated, large-scale power loom textile factory.
(B) Taking a high-interest commercial loan from local informal moneylenders.
(C) Shifting completely from natural printing to synthetic dye manufacturing.
(D) Listing products on e-commerce handicraft platforms.

56. Which of the following districts of Rajasthan is NOT traditionally associated with a major hand-block printing textile cluster?
(A) Jhunjhunu
(B) Jaipur
(C) Barmer
(D) Chittorgarh

57. The 'Shilpgram' concept, notably established in Udaipur, primarily serves to:
(A) Manufacture advanced modern consumer electronics and semiconductors.
(B) Process heavy commercial agricultural output like sugarcane and cotton.
(C) Showcase and preserve rural arts, crafts, and culture.
(D) Train corporate IT sector employees in modern software development skills.

58. Choose the correct order of MSME classifications based on their investment limits in plant and machinery/equipment (from smallest to largest category):
(A) Small → Micro → Medium
(B) Micro → Small → Medium
(C) Micro → Medium → Small
(D) Medium → Small → Micro

59. Who among the following is historically credited as the pioneer who revived the dying art of Jaipur Blue Pottery in post-independence India?
(A) Ram Singh II
(B) Hisam-ud-din Usta
(C) Devkinandan Sharma
(D) Kripal Singh Shekhawat

60. The famous 'Tie and Dye' (Bandhej/Bandhani) cottage industry is predominantly concentrated in which regions of Rajasthan?
(A) Bharatpur, Dholpur, and Karauli
(B) Jodhpur, Jaipur, and Sikar
(C) Banswara, Dungarpur, and Pratapgarh
(D) Ganganagar and Hanumangarh

61. Identify the INCORRECT statement regarding 'Khadi' production in Rajasthan.
(A) Khadi is defined as any cloth woven on handlooms from hand-spun yarn.
(B) It promotes self-reliance and rural employment.
(C) Khadi yarn is strictly produced using large-scale mechanized spinning mills.
(D) The Khadi and Village Industries Board actively provides subsidies to Khadi spinners.

62. Which flagship policy was released by the State Government in 2022 to specifically foster the growth of small enterprises, handlooms, and village industries with provisions for capacity building and export promotion?
(A) Rajasthan Tourism Policy 2022
(B) Rajasthan Solar Energy Policy 2022
(C) Rajasthan Agricultural Export Policy 2022
(D) Rajasthan MSME Policy 2022

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9. (C) 8 percent
Under the Mukhyamantri Laghu Udyog Protsahan Yojana initiated by the Rajasthan government, an interest subsidy of eight percent is provided on institutional bank loans up to twenty-five lakh rupees. This financial support aims to promote micro-level entrepreneurship, lower borrowing costs for small business owners, and encourage the establishment of new manufacturing and service enterprises.

10. (A) I, II and III
The Rajasthan Small Industries Corporation was established in June 1961 to promote small-scale industrial units and traditional crafts. It supports marketing through Rajasthali emporia and facilitates export infrastructure by operating Inland Container Depots across the state. However, providing heavy machinery to large cement plants falls outside its mandate of assisting micro, small, and artisan sectors.

11. (D) Molela
Molela, a small village situated near Nathdwara in Rajsamand district, is globally renowned for its traditional terracotta cottage industry. Artisans in Molela craft distinctive hollow terracotta plaques depicting local folk deities, religious motifs, and village life. Made from river mud and fired in traditional kilns, these iconic clay plaques carry a recognized Geographical Indication tag.

12. (A) P-4, Q-3, R-2, S-1
Rajasthan features distinct craft clusters: Usta Art, characterized by intricate gold foil painting on camel hide, originates in Bikaner. Thewa Art involves gold filigree fused on glass in Pratapgarh. Ajrakh Print is a traditional geometric block printing technique from Barmer. Badla refers to zinc metal water containers wrapped in cloth, traditionally manufactured in Jodhpur.

13. (C) RUDA
The Rural Non-Farm Development Agency was established by the Government of Rajasthan in November 1995 as an independent body. RUDA specifically focuses on generating sustainable non-farm employment across rural areas by providing technical, design, marketing, and skill development support in three main sub-sectors: leather crafts, wool production, and minor mineral handicrafts.

14. (D) They lack collateral such as registered land titles or capital assets.
Rural artisans in traditional cottage sectors frequently face major barriers in securing formal credit from commercial banks due to a lack of collateral assets. Standard banking institutions usually demand registered land ownership certificates or physical machinery as security, which low-income traditional craftspersons rarely possess, thereby restricting their ability to secure formal institutional funding.

15. (C) I and III only
Mojari is an authentic traditional leather footwear craft in Rajasthan that provides vital rural employment through hand-stitched leather working rather than synthetic plastic materials. Specific regional varieties, such as the Jodhpuri Mojari, have received official recognition under the Geographical Indication registry to preserve traditional craftsmanship and protect genuine local leather artisans against counterfeit products.

16. (B) It enables shared resources, common infrastructure, and skilled labour.
The cluster development approach groups similar small-scale units within a specific geographic area, enabling artisans to share raw material sourcing, processing infrastructure, and skilled labor networks. This geographic concentration lowers individual capital expenditure, improves overall productivity, facilitates collective bargaining, and allows small cottage units to compete effectively while reducing production costs and enhancing product quality.

17. (B) Kaithoon
Kota Doria fabric is traditionally woven on handlooms in the village cluster of Kaithoon, located in Kota district. Renowned for its lightweight, translucent texture and distinctive square check patterns known as khats, this fabric is woven using fine cotton and silk threads. The traditional weaving craftsmanship of Kaithoon holds a registered Geographical Indication.

18. (A) KVIB → RAJSICO → RUDA
The chronological setup of state institutions reflects Rajasthan's industrial development history. The Rajasthan Khadi and Village Industries Board was established first in 1955. The Rajasthan Small Industries Corporation was subsequently founded in 1961 to support

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ANSWERS

1. (B) It is generally home-based and operated by family members using local resources.
Cottage industries in Rajasthan are primarily decentralized, small-scale production units operated within household premises. They rely heavily on human labor, traditional craftsmanship, and locally sourced raw materials rather than heavy industrial machinery. Operating largely as family-run enterprises with minimal capital requirements, these traditional units preserve indigenous heritage while providing crucial self-employment across rural areas.

2. (B) 1955
The Rajasthan Khadi and Village Industries Board was formally constituted under a statutory state act in the year 1955. Established to promote, organize, and facilitate the development of Khadi and village industries, the board plays a critical role in generating rural employment, upgrading traditional skills, and providing financial assistance to self-employed rural artisans across Rajasthan.

3. (C) Petroleum refining
Traditional village and cottage industries are small-scale, labor-intensive activities usually carried out within homes using local materials and traditional tools. Examples include handloom weaving, leather crafts, and pottery. Petroleum refining is a heavy, capital-intensive manufacturing sector requiring modern technological infrastructure, centralized industrial plants, and massive capital investment, making it completely distinct from traditional cottage manufacturing.

4. (D) Rajasthali
Rajasthali is the registered flagship retail emporium brand established by the Rajasthan Small Industries Corporation to showcase and market authentic traditional handicrafts created by local artisans. Through state-operated retail outlets located across major cities in India, Rajasthali provides direct commercial access, eliminates intermediary exploitation, and boosts market opportunities for traditional handicraft producers of Rajasthan.

5. (C) Common clay
Jaipur Blue Pottery is globally famous for being crafted without using standard clay. Instead, the dough is prepared using a unique mixture of powdered quartz stone, glass, Multani mitti, gum, and sodium sulphate. This distinctive raw material composition gives Blue Pottery its signature translucent glaze, delicate structure, and durable finish without requiring traditional pottery clay.

6. (B) They generate rural non-farm employment with low capital investment.
Cottage and village industries are vital to Rajasthan's rural economy because they generate extensive non-farm employment opportunities with relatively low capital investment. By utilizing local skills and natural resources, these decentralised industries supplement agricultural income, reduce seasonal unemployment, empower rural women, and curb distress migration from rural regions to urban centers across the state.

7. (D) Jodhpur and Bikaner
The traditional leather footwear known as Mojari forms a major handicraft cluster in the Western Rajasthan districts of Jodhpur and Bikaner. Artisans in these regions use cured leather, intricate embroidery, and skilled hand-stitching techniques passed down through generations. These centers produce distinctive Mojaris that enjoy significant demand in local, national, and international markets.

8. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Cottage industries significantly contribute to women's economic empowerment in rural Rajasthan by offering flexible, home-based income generation. Because traditional craft production can be integrated alongside daily household work, rural women gain independent earnings without migrating. This financial autonomy directly enhances their social status and household decision-making power, validating the direct link between flexible working conditions and empowerment.

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28. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Securing a Geographical Indication tag significantly enhances the export potential of traditional handicrafts like Sanganeri block prints. The legal GI registration prevents unauthorized commercial copying, verifies authentic geographic origin, and reassures international buyers regarding craft quality. This legal framework protects artisan intellectual property and commands premium pricing in global markets.

29. (D) 2022
The Rajasthan Export Promotion Council was formally constituted in the year 2022 under the state's initiative to boost industrial exports. REPC serves as an apex body assisting small enterprises, local exporters, and traditional craft clusters by addressing trade bottlenecks, organizing international trade fairs, and improving global market access for Rajasthani products.

30. (D) Thewa Art — Coloured glass and gold foil
Thewa Art is a highly specialized traditional jewelry craft centered in Pratapgarh, Rajasthan. It involves fusing intricately hand-carved pattern sheets of pure 23-karat gold foil onto specially treated, colored Belgian glass bases. This unique combination creates vibrant, gleaming jewelry motifs that are distinct from other metalcraft and glass artwork traditions.

31. (A) Khadi and Village Industries Commission (KVIC)
The Khadi and Village Industries Commission functions as the national nodal agency for implementing the Prime Minister Employment Generation Programme. KVIC coordinates credit-linked capital subsidies for setting up micro-enterprises in non-farm sectors, operating through state Khadi boards, district industries centers, and commercial banks to spur rural employment and entrepreneurship.

32. (A) P-2, Q-4, R-1, S-3
Rajasthan features prominent artisan centers: Dabu Print, a resist-printing mud block technique, is centered in Akola. Wooden toy crafting is famous in Bassi near Chittorgarh. Pichhwai cloth paintings depicting Lord Krishna originate in Nathdwara. Fine marble sculpture carving is widely practiced in Kishangarh alongside Jaipur, reflecting deep regional art specialization.

33. (B) Operating large-scale nuclear power generation plants.
The Rajasthan Small Industries Corporation focuses on assisting micro, small, and cottage enterprises through marketing assistance, raw material procurement, trade exhibitions, and artisan skill development programs. Heavy industrial utilities and energy generation projects like nuclear power plants fall strictly under state or central energy authorities and are completely separate from small industry bodies.

34. (A) Mass-producing ancient designs on machinery can destroy authentic craft identity.
Modern industrial automation allows mass replication of traditional handcraft patterns at low cost, but this practice risks diluting the unique identity, artistic heritage, and handcrafted value of traditional items. Balancing technological modernization with authentic manual crafting techniques is crucial to preserving the heritage status and cultural significance of traditional Rajasthani crafts.

35. (B) I and III only
Cottage industries in Rajasthan face critical structural challenges, including heavy dependence on intermediaries due to weak direct market linkages and intense market competition from inexpensive, factory-made duplicate items. Unrestricted collateral-free bank credit is not freely available, as financial institutions maintain strict credit assessment norms that present challenges for small artisans.

36. (D) Western desert region (Barmer, Jaisalmer)
Kashida embroidery is a traditional textile craft practiced widely by women in the western desert region, particularly across Barmer and Jaisalmer districts. Featuring mirror work, geometric thread patterns, and vibrant color palettes, this home-based handicraft preserves traditional cultural motifs while serving as a vital source of supplementary household income for rural families.

37. (C) Traditional artisans and craftspeople
The PM Vishwakarma scheme is a central government initiative designed to provide comprehensive support to traditional artisans and craftspeople engaged in hands-on trades.

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requiring goods to be transported to distant coastal ports or through Inland Container Depots (ICDs) before oceanic shipment.
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

9. Rajasthan commands a dominant global position in the production and export of Guar Gum. What is the primary industrial application driving its international demand?
(A) Structural composite component manufacturing in high-speed commercial aircraft
(B) Hydraulic fracturing (fracking) in shale gas extraction
(C) Primary stabilizing agent and base medium for synthetic textile dyes
(D) Extensively utilized binding agent in manufacturing lithium-ion battery cells

10. Consider the following statements regarding the export of Rajasthani leather goods:
I. Mojari footwear represents a significant segment of traditional leather handicraft exports.
II. Jodhpur and Jaipur act as major hubs for artisan-crafted leather goods.
III. The sector completely relies on heavy automated machinery with zero manual craftsmanship.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

11. Which state-level institution in Rajasthan was specifically established to facilitate exporters, act as a grievance redressal forum, and actively promote the state's products in global markets?
(A) Rajasthan Export Promotion Council (REPC)
(B) Rajasthan Financial Corporation (RFC)
(C) Rajasthan Tourism Development Corporation (RTDC)
(D) Rajasthan State Mines and Minerals Limited (RSMML)

12. Geographical Indication (GI) tags help secure market premiums and protect authenticity for exporters. Which of the following is an INCORRECT pairing of a GI-tagged product and its associated region in Rajasthan?
(A) Bagru Prints - Jaipur
(B) Kota Doria - Kota
(C) Molela Clay Work - Bikaner
(D) Thewa Art - Pratapgarh

13. Which of the following accurately describes the strategic benefit of securing a Geographical Indication (GI) tag for traditional Rajasthani textiles like Sanganeri prints in the export market?
(A) Completely eliminates all international customs duties and import tariffs levied by foreign purchasing countries.
(B) Mandates standardized fabric specifications to be exclusively manufactured using modern high-speed automated power looms.
(C) Strictly restricts commercial sales exclusively to domestic markets to prevent unauthorized foreign exploitation.
(D) Legally certifies geographical origin and traditional methods to command premium pricing.

14. Consider the following two statements regarding the wooden craft exports of Rajasthan:
Statement I: The traditional wooden craft exports of Rajasthan primarily consist of modern modular plywood furniture.
Statement II: Jodhpur is widely recognized as the concentrated export centre for handcrafted solid wood furniture and antique reproductions.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

15. Consider the following statements regarding Rajasthan's handicraft promotion schemes:
I. They provide financial assistance for artisans to participate in international trade fairs.
II. They completely ban the export of machine-made textiles to protect handlooms.
III. They include skill upgradation and design intervention programs to meet global

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47. (A) Udyam Registration
Udyam Registration is the official online portal launched by the Ministry of Micro, Small and Medium Enterprises. It offers a simplified, paperless registration process based on Aadhar details, allowing traditional artisans and small unit owners in Rajasthan to register digitally as official MSMEs and gain access to government welfare schemes and subsidies.

48. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Handloom weavers in Rajasthan face severe economic challenges due to market competition from mechanized power looms. Automated power looms mass-produce fabric faster and at significantly lower costs, replicating traditional handloom designs. This cost disparity undercuts handloom prices in retail markets, directly impacting traditional weaver income and endangering their long-term livelihood sustainability.

49. (B) Jaipur and Khandela (Sikar)
Gota Patti is an intricate traditional embroidery technique involving the application of woven gold or silver ribbon onto textiles to form ornate floral patterns. This traditional cottage handicraft is historically centered in Jaipur and Khandela in Sikar district, where artisan families produce detailed bridal wear and festive apparel for national markets.

50. (A) I, II and III
The Rural Non-Farm Development Agency was set up in 1995 to generate non-agricultural employment opportunities through skill upgradation and product diversification in traditional rural sectors like leather, wool, and minerals. Heavy agricultural machinery distribution falls under agricultural department schemes, remaining entirely separate from RUDA's rural non-farm promotional activities.

51. (C) Nathdwara
Tarakashi is a delicate handicraft involving the precise inlay of fine silver wire into carved wooden or glass surfaces to create elaborate floral patterns. Centered in the holy town of Nathdwara in Rajsamand district, this traditional artisan technique is widely used to ornament religious artifacts, jewelry boxes, and decorative household items.

52. (A) P-4, Q-1, R-2, S-3
Institutional development in Rajasthan followed a chronological timeline: the Khadi and Village Industries Board was established in 1955, followed by the Rajasthan Small Industries Corporation in 1961. The Rajasthan State Handloom Development Corporation was created in 1984, and the Rural Non-Farm Development Agency was established in 1995 to boost rural employment.

53. (C) Registers artisans to grant access to public schemes and trade fairs.
The Pehchan identity card scheme, administered under the Development Commissioner for Handicrafts, issues official digital artisan identity cards to craftspeople across India. In Rajasthan, this card provides artisans verified legal status, enabling access to subsidized credit, skill upgradation programs, insurance coverage, and participation in state and national trade exhibitions.

54. (B) To share expensive machinery for processing, testing, and packaging.
A Common Facility Centre in an artisan cluster allows small micro-enterprises to access modern processing, quality testing, design, and packaging equipment that individual craftspeople cannot afford. Sharing high-cost machinery improves product quality, reduces individual capital investment, standardizes production, and enhances the market competitiveness of rural craft products without eliminating traditional hand skills.

55. (D) Listing products on e-commerce handicraft platforms.
E-commerce platforms provide direct market access for rural artisans, enabling them to market handcrafted goods nationwide without maintaining physical retail stores in major cities. By listing Ajrakh prints on digital marketplaces, small producers bypass intermediary commissions, reduce marketing expenses, and connect directly with distant buyers to sell their authentic heritage products.

56. (A) Jhunjhunu
Hand-block printing is traditionally concentrated in specific historical textile hubs in Rajasthan, such as Sanganer and Bagru in Jaipur, Akola in Chittorgarh, and Barmer in western Rajasthan. Jhunjhunu is well known for its historic painted

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(B) Directly procuring all handcrafted inventory from local artisans exclusively for state administrative consumption.
(C) Fixing and regulating maximum retail prices for essential domestic consumer goods across domestic markets.
(D) Serving as a single-window node to resolve exporter issues.

24. What critical quality assurance requirement is increasingly demanded by international buyers from Rajasthani wooden handicraft exporters?
(A) Proof of legal timber sourcing, sustainable forestry, and wood treatment.
(B) Mandatory certification proving that timber was harvested using exclusively primitive non-metallic hand tools.
(C) Statutory documentation verifying that raw timber materials were imported directly from certified Amazonian rainforests.
(D) Verified laboratory testing confirming that zero synthetic chemical adhesives were applied during structural joinery.

25. Match the GI-tagged Rajasthani export products in List I with their unique defining characteristics in List II.

List I: (Product)
P. Sanganeri Print
Q. Bagru Print
R. Kota Doria
S. Blue Pottery

List II: (Defining Characteristic)
1. Distinctive 'Khats' or square check patterns woven in cotton-silk blend
2. Uses quartz sand and does not employ natural clay
3. Block printing typically using dark or natural dyed backgrounds
4. Block printing known for vibrant floral patterns on white or off-white backgrounds

(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-3, R-2, S-1
(D) P-1, Q-2, R-3, S-4

26. Which prominent international trade fair, frequently attended by Jaipur and Jodhpur based exporters, serves as one of Asia's largest B2B sourcing events for traditional and contemporary crafts?
(A) DefExpo India
(B) Indian Handicrafts & Gifts Fair (IHGF) Delhi Fair
(C) Aero India Show
(D) India International Jewellery Show (IIJS)

27. The export value trend of GI-tagged Rajasthani products demonstrates a market premium primarily because:
(A) GI tags verify authentic heritage, origin, and artisanal skill for conscious buyers.
(B) Global commercial buyers are legally mandated under World Trade Organization regulations to purchase certified items.
(C) Official certification guarantees that manufacturing costs are fully subsidized by the central government.
(D) Items carry high retail values because they are manufactured using exclusively imported premium raw materials.

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28. Read the following statements regarding quality standards in handicraft export clusters and select the correct option.
Assertion (A): Maintaining high-quality skill certification is crucial for the survival of Rajasthan's traditional handicraft export clusters.
Reason (R): International markets have strictly lowered their quality standards to accommodate traditional hand-made variations.
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

29. Rajasthan's processed marble slabs and artistic artifacts find a robust export market. Which town is universally recognized as the largest marble processing and trading cluster in Rajasthan, actively fueling these exports?
(A) Phalodi
(B) Mount Abu
(C) Neemrana
(D) Kishangarh

30. Consider the following statements regarding the export of Guar Gum from Rajasthan:
I. Rajasthan accounts for over 70% of India's total guar production, making it a critical export commodity.
II. Guar gum exports are strictly categorized under traditional cultural handicrafts.

66. (A) Micro units producing papad, pickles, and spices.
The Pradhan Mantri Formalisation of Micro food processing Enterprises scheme provides financial, technical, and business support to unorganized micro food processors. In Rajasthan, this initiative directly assists rural home-based units involved in producing papad, pickles, mangodi, and local spices by supporting technology upgrades, branding, quality packaging, and access to formal bank credit.

67. (C) It allows any producer worldwide to use the registered name freely.
A Geographical Indication tag offers exclusive legal protection to authentic producers within a defined geographic region, preventing unauthorized external manufacturers from using the protected regional name. Contrary to open usage, a GI tag restricts unauthorized commercial copying, preserves product authenticity, builds regional brand equity, and safeguards traditional local artisan livelihoods.

68. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Traditional collateral-based credit models restrict rural artisans from securing formal financial bank loans to expand their cottage enterprises. Because low-income craftspeople in rural Rajasthan rarely own registered land deeds or fixed capital assets to offer as physical security, commercial financial institutions often hesitate to extend formal credit, severely limiting business expansion.

69. (C) Bikaner
Mathirna Art, involving intricate religious wall paintings and manuscript illumination, and Usta Art, characterized by elaborate golden foil embossing on treated camel hide, are traditional heritage crafts uniquely concentrated in Bikaner district. These historic art forms reflect specialized craft traditions developed under royal patronage and preserved by hereditary local artisan families.

70. (B) It allows small cottage units to reach buyers nationwide without large budgets.
Connecting rural artisan cooperatives with the Open Network for Digital Commerce enables micro-enterprises to access nationwide digital retail channels without paying steep listing fees or relying on large corporate intermediaries. ONDC provides open digital infrastructure that expands direct consumer reach, increases artisan profit margins, and levels the commercial playing field for traditional craft producers.

71. (D) Kota Doria weaving
Mangrol, located in the Baran district, is an essential weaving center alongside neighboring Kaithoon in Kota district for producing Kota Doria fabric. Artisans in Mangrol specialize in weaving light, square-checked cotton and silk fabrics on traditional handlooms, forming an important regional handloom weaving cluster that maintains ancient textile traditions.

72. (A) P-4, Q-3, R-2, S-1
Traditional Rajasthani textile arts exhibit distinct geographical links: Ajrakh block printing with indigo and madder red is centered in Barmer. Dabu mud-resist printing originates in Akola near Chittorgarh. Fine Kota Doria weaving is anchored in Kaithoon. Lappa Lappi, featuring metallic ribbon and Gota work, is traditionally centered in Khandela.

73. (C) Rajasthan Khadi & Village Industries Board (KVIB)
The Rajasthan Khadi and Village Industries Board periodically organizes state and regional Khadi Gramodyog Exhibitions to promote village industry products. These fairs provide direct marketing venues for rural artisans, Khadi institutions, and micro-enterprises to display and sell hand-spun fabrics, honey, handicrafts, and herbal goods directly to urban consumers across Rajasthan.

74. (A) Cluster development approach
The cluster development approach encourages small, geographic artisan groups to form enterprise cooperatives, pool financial resources, purchase raw materials in bulk, and share common equipment workshops. By sharing operational costs and facility infrastructure, small cottage producers significantly lower individual expenses, standardize product quality, and strengthen their collective bargaining power in competitive commercial markets.

75. (D) Mukhyamantri Laghu Udyog Protsahan Yojana (MLUPY)
The Mukhyamantri Laghu Udyog Protsahan Yojana is a flagship state scheme designed to facilitate easy credit access for setting up new

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havelis and Shekhawati wall art, but lacks a major traditional hand-block textile printing industry.

57. (C) Showcase and preserve rural arts, crafts, and culture.
Shilpgram, located near Udaipur, is a prominent rural arts and crafts complex designed to preserve and promote traditional crafts, performing arts, and indigenous lifestyle traditions. Operating as a living ethnographic museum, it provides rural artisans an interactive public space to showcase products, demonstrate craft techniques, and gain direct commercial access to national visitors.

58. (B) Micro → Small → Medium
The statutory classification of Micro, Small, and Medium Enterprises follows an ascending order based on capital investment in plant and machinery along with annual business turnover limits. Micro enterprises represent the smallest financial tier, followed by Small enterprises in the middle tier, and Medium enterprises representing the largest tier within the MSME regulatory framework.

59. (D) Kripal Singh Shekhawat
Padma Shri Kripal Singh Shekhawat was an eminent artist from Rajasthan who played a pioneering role in reviving and innovating Jaipur Blue Pottery during the mid-twentieth century. He developed over thirty original color glazes and intricate painting compositions, single-handedly rescuing the art form from extinction and gaining international acclaim for the traditional handicraft.

60. (B) Jodhpur, Jaipur, and Sikar
Tie and Dye, locally known as Bandhej or Bandhani, is a traditional textile craft widely practiced across Rajasthan, with primary production centers in Jodhpur, Jaipur, and the Shekhawati town of Sikar. Artisans use delicate tying techniques and natural dye processes to produce vibrant fabrics with complex geometric, dotted, and floral designs.

61. (C) Khadi yarn is strictly produced using large-scale mechanized spinning mills.
Khadi is defined as hand-spun and hand-woven cloth produced using traditional manual spinning wheels known as charkhas and traditional handlooms. It is fundamentally distinct from automated mass production. The Khadi industry focuses on rural self-reliance, manual craftsmanship, and decentralized employment, operating completely apart from large-scale, automated industrial spinning mills.

62. (D) Rajasthan MSME Policy 2022
The Rajasthan MSME Policy 2022 was launched to foster sustainable industrial growth across micro, small, and medium enterprises, including traditional handlooms and village crafts. The policy introduces financial incentives, infrastructure subsidies, technical modernization programs, export support, and simplified regulatory processes to enhance market competitiveness and artisan livelihoods across the state.

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63. (A) Woven Durries (Rugs)
Salawas, a village situated near Jodhpur, is internationally celebrated for its traditional hand-woven flat cotton and woollen flatweave rugs known as Durries. Local artisan families craft these durable rugs on traditional looms using vibrant colors, geometric patterns, and regional folk motifs, creating a flourishing village cottage industry supported by cultural tourism.

64. (B) Craft activities offer flexible, home-based working conditions.
The substantial involvement of women in Rajasthan's cottage industries stems from the flexible, home-based nature of traditional crafts. Artisans can practice activities like embroidery, spinning, tie-dye, and food processing within household premises, enabling women to generate independent income and build financial security while managing domestic daily responsibilities in their local communities.

65. (B) II and III only
Traditional handicrafts contribute significantly to Rajasthan's export economy, contradicting claims of non-performance. Goods with Geographical Indication tags command pricing advantages and strong brand trust in foreign markets. State participation in trade fairs and exhibitions offers small craft units essential market exposure, enabling artisans to establish international trade connections and secure export orders.

CHAPTER 20

Export Materials and Rajasthani Handicrafts

1. Rajasthan holds a distinctive position in India's export basket. Which of the following broad categories historically accounts for a major share of Rajasthan's total manufacturing and handicraft exports?
(A) Engineering goods, textiles, and handicrafts
(B) Heavy electronics and semiconductors
(C) Marine products and coastal agricultural goods
(D) Heavy commercial vehicles and aircraft components

2. Jaipur holds a significant position in the global gems and jewellery export market primarily due to its expertise in which of the following specific processes?
(A) Large-scale extraction and mining of raw gold and platinum
(B) Deep-sea pearl diving and specialized offshore marine cultivation
(C) Cutting and polishing of emeralds and coloured gemstones
(D) Precision manufacturing of heavy industrial diamond drill bits

3. The district of Bhilwara in Rajasthan has earned a dominant export market presence globally in which of the following specific textile segments?
(A) Synthetic worsted suiting fabric and yarn
(B) Handcrafted traditional mulberry handloom silk sarees
(C) Commercial processing of raw unspun cotton bales
(D) Woven eco-friendly jute and coconut coir floor mats

4. The traditional Tie and Dye textile craft of Rajasthan, which has a strong export market presence, is natively known as which of the following?
(A) Kalamkari
(B) Ikat
(C) Chikankari
(D) Bandhani

NODIA

5. Match the major export-oriented handicraft clusters of Rajasthan in List I with their primary craft specialization in List II.
List I: (Export Cluster)
P. Jaipur
Q. Jodhpur
R. Bhilwara
S. Kishangarh
List II: (Craft Specialization)
1. Processed Marble Slabs
2. Coloured Gemstones
3. Carved Wooden Furniture
4. Synthetic Suiting Fabric
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-2, Q-1, R-4, S-3
(D) P-4, Q-3, R-2, S-1

6. Which of the following is NOT typically recognized as a primary dimensional stone exported from Rajasthan's stone export clusters?
(A) Sandstone
(B) Granite
(C) Basalt
(D) Marble

7. Blue Pottery of Rajasthan has emerged as a niche decorative craft export segment. Which of the following base materials is famously avoided in the traditional preparation of Rajasthani Blue Pottery dough?
(A) Quartz powder
(B) Multani mitti (Fuller's earth)
(C) Raw glaze (Kanch)
(D) Natural clay

8. Read the following statements regarding the logistics of handicraft exporters from Rajasthan and select the correct option.
Assertion (A): Handicraft exporters from Rajasthan face relatively higher inland logistics and transportation costs compared to exporters in states like Gujarat or Maharashtra.
Reason (R): Rajasthan is a landlocked state

The scheme offers formal skill training, modern toolkit incentives, collateral-free subsidized credit, and digital transaction onboarding to enhance the livelihoods of traditional artisans, including those in Rajasthan.

38. (B) 2, 1, 4, 3
Developing a craft cluster follows a structured sequence: identifying geographic concentrations of specific artisans comes first. Next, artisans form a cooperative or Special Purpose Vehicle to build legal structure. Setting up a Common Facility Centre then enables shared processing and quality testing. Finally, collective marketing and direct export linkages scale market access globally.

39. (D) It promotes non-farm employment in leather, wool, and minerals.
The Rural Non-Farm Development Agency in Rajasthan is mandated to create alternative non-agricultural livelihood opportunities for rural artisans. RUDA focuses on three core sub-sectors—leather, wool, and minor minerals—by providing technical support, modern product design, skill training, and market access, thereby strengthening rural micro-enterprises across the state.

40. (D) I, II, III and IV
Geographical Indication tags protect authentic regional craftsmanship in Rajasthan. Bagru Hand Block Print, Sanganeri Hand Block Print, Jaipur Blue Pottery, and Pokaran Pottery have all been officially granted GI tags. These legal registrations safeguard indigenous artisan traditions, prevent unauthorized imitation, and enhance product marketability nationally and internationally.

41. (C) Steel rolling mills
Cottage industries are small-scale, labor-intensive enterprises operated primarily from homes or small workshops using traditional skills and minimal capital. Carpet weaving, traditional food processing, and bidi rolling represent classic cottage units. Steel rolling mills are heavy, capital-intensive manufacturing plants utilizing industrial machinery and energy grid infrastructure, excluding them from cottage industry definitions.

42. (B) 1984
The Rajasthan State Handloom Development Corporation was established in the year 1984 to foster handloom textile weaving across the state. RHDC supports traditional weavers by providing quality raw yarns, introducing modern textile designs, organizing training workshops, and offering direct marketing channels through state retail outlets to protect artisan livelihoods.

43. (D) By providing sustainable local job opportunities in villages.
Developing cottage and village industries creates sustainable non-farm employment directly within rural areas. By offering reliable self-employment and income opportunities in traditional crafts, food processing, and handlooms, rural households are less compelled to migrate to urban centers in search of unskilled labor, stabilizing local village economies and community structures.

44. (B) Bikaneri Bhujia
Bikaneri Bhujia is a famous crisp snack made from moth bean flour and spices, originating as a village cottage industry in Bikaner. Renowned for its unique taste and regional recipe, it earned a Geographical Indication tag, transforming local household manufacturing into an internationally recognized food processing success while employing thousands locally.

45. (C) Alwar
Kagzi Pottery, recognized for its paper-thin, delicate earthenware structure, is traditionally produced in the Alwar district of Rajasthan. Potters use highly refined clay and specialized wheel techniques to craft delicate unglazed vessel items. This light, decorative pottery represents an iconic regional craft preserved through generations of local artisan families.

46. (D) Investment limits in equipment and annual turnover.
Under the composite MSME classification criteria in India, micro and small enterprises are distinguished based on specific ceiling limits for investment in plant, machinery, or equipment alongside annual financial turnover. A micro enterprise must keep investment under one crore rupees and turnover under five crore rupees, whereas small enterprises operate under higher defined caps.

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standards.
IV. They facilitate the onboarding of artisans onto e-commerce platforms.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

16. The "Niryat Bano" (Become an Exporter) mission was initiated in Rajasthan primarily to achieve which of the following objectives?
(A) To systematically discourage and penalize the commercial import of foreign luxury motor vehicles into the state.
(B) To enforce strict statutory mandates requiring that all goods manufactured in the state must be exported.
(C) To aggressively transition agricultural workers into low-skilled factory jobs in the manufacturing sector.
(D) To register, train, and assist local firms to become active exporters.

17. E-commerce platforms are increasingly transforming Rajasthan's traditional handicraft export strategy. Which of the following represents the most significant advantage of this digital marketplace integration for local artisans?
(A) Provides direct B2C global access, bypassing export middlemen.
(B) Completely eliminates the logistical requirement for physical product handling, warehousing, and maritime shipping.
(C) Exempts rural craft producers from complying with mandatory international export quality and safety standards.
(D) Restricts target customer outreach exclusively to non-resident Indian (NRI) communities residing abroad.

18. Among the following traditional Rajasthani crafts, which one is NOT natively famous as a textile or fabric-based export?
(A) Bagru Print
(B) Kota Doria
(C) Usta Art
(D) Sanganeri Print

19. In the context of global competition, which of the following poses the most severe challenge to the export market share of traditional Rajasthani block-printed fabrics?
(A) Inflow of cheap machine-made screen-printed imitations.
(B) Severe shortage and escalating procurement costs of certified organic raw cotton in international commodity markets.
(C) Imposition of blanket international trade embargoes and bans on the import of all handwoven Indian textiles.
(D) Rapid structural shifts in consumer preferences towards wearing exclusively synthetic heavy woolen garments.

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20. Choose the correct sequential order of the foundational steps an artisan enterprise in Rajasthan must take to begin formal handicraft exports:
1. Securing an Importer-Exporter Code (IEC) from DGFT.
2. Registering a legal business entity.
3. Obtaining membership with the relevant Export Promotion Council (EPC).
4. Securing international purchase orders and arranging customs clearance.
(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 2, 3, 1, 4
(D) 1, 3, 2, 4

21. Bansi Paharpur, an area in Rajasthan known for its material contribution to monumental architecture, is a major source for the export of which dimensional stone?
(A) White Marble
(B) Pink Sandstone
(C) Black Granite
(D) Yellow Limestone

22. All of the following are recognized strategies adopted by the Government of Rajasthan for future export growth in handicrafts EXCEPT:
(A) Diversification into newer geographical markets.
(B) Encouraging design innovation to match contemporary global aesthetics.
(C) Imposing heavy state export duties on traditional crafts to restrict volume.
(D) Facilitating quality and skill certification for export-grade craftsmanship.

23. The role of the Export Promotion Bureau (EPB) in Rajasthan includes which of the following primary functions?
(A) Determining and setting official international foreign currency exchange rates and monetary tariffs.

micro, small, or medium enterprises or expanding existing units. The scheme offers subsidized interest rates on institutional loans up to ten crore rupees, boosting entrepreneurship, artisan employment, and industrial development in Rajasthan.

76. (B) Fusing intricately worked gold sheet onto coloured glass.
The defining characteristic of Thewa Art is the intricate delicate fusion of hand-etched 23-karat gold foil designs onto specialized, colored glass sheets. Centered in Pratapgarh, this refined traditional jewelry craft requires master artisan skills to fuse precious metal patterns onto glass backings, producing vibrant, lustrous ornaments distinct from other metalworking traditions.

77. (C) Loss of aesthetic value and displacement of artisans by machines.
Uncontrolled industrial modernization and high-speed mass factory production pose significant risks to traditional cottage industries. Machine automation often replicates handcraft designs quickly and cheaply, displacing skilled traditional artisans, depressing local craft wages, and eroding the authentic artistic expression, cultural heritage, and individual uniqueness inherent in hand-crafted products.

78. (B) 2, 1, 4, 3
Connecting traditional handicrafts with global e-commerce customers involves a logical process: artisans first procure raw materials and hand-craft the product. Next, high-quality digital photography and cataloging prepare online product listings. Once a buyer places an order and submits payment on the platform, the artisan packages and dispatches the craft via logistics.

79. (A) Usta Art
Usta Art differs fundamentally from block printing techniques because its primary medium is camel hide or masonry, embellished with delicate gold embossing and lacquer painting. In contrast, Sanganeri, Bagru, and Ajrakh prints are all traditional textile arts executed by applying carved wooden blocks and natural dyes directly onto cotton fabrics.

80. (B) 27th June
Micro, Small and Medium Enterprises Day is celebrated internationally on June 27th each year, as designated by the United Nations. The Government of Rajasthan observes this occasion to highlight the economic contributions of micro-enterprises and traditional village industries, launching new developmental schemes, honoring skilled local artisans, and promoting enterprise growth.

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III. The USA is one of the major destination markets due to its shale gas extraction industry.

Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) II only
(C) III only
(D) I and III only

31. Identify the INCORRECT statement concerning Rajasthan's gems and jewellery export sector.
(A) Jaipur is globally recognized as the primary hub for precision emerald cutting, polishing, and trading activities.
(B) Rajasthan possesses active diamond mines that fulfill all industrial gemstone requirements.
(C) The domestic sector relies almost entirely on traditional master artisans specializing in manual stone cutting and polishing.
(D) State and central Export Promotion Councils deliver comprehensive marketing and institutional support to registered exporters.

32. In the context of textile exports, the traditional "Bandhani" technique is best classified under which category of fabric processing?
(A) Jacquard weaving
(B) Roller printing
(C) Digital sublimation printing
(D) Resist dyeing

33. Identify the CORRECT pair regarding export infrastructure and its primary function in Rajasthan:
(A) Inland Container Depot (ICD) - Handles customs clearance and container freight for landlocked exporters.
(B) Rajasthan Financial Corporation (RFC) - Directly organizes, funds, and manages premier international trade fairs across European markets.
(C) Export Promotion Bureau (EPB) - Directly oversees agricultural cultivation and supply chain management of raw cotton for textile mills.
(D) Special Economic Zone (SEZ) - Imposes maximum statutory tariffs and restrictive regulatory quotas to deliberately curb export volumes.

34. What specific niche does Rajasthan's Blue Pottery hold in the international market?
(A) Heavy-duty industrial ceramics used in chemical processing plants
(B) High-temperature fireclay refractory bricks for steel smelting furnaces
(C) Decorative interior artefacts and tableware
(D) Vitrified underground drainage and municipal sewerage pipes

35. Consider the following statements regarding the global competition challenges faced by Rajasthani handicraft exporters:
I. There is fierce competition from lower-cost, mass-produced items from Southeast Asian countries.
II. Machine-made counterfeit products undermine the value of authentic handcrafted goods.
III. High inland transit times reduce agility in meeting fast-fashion international timelines.
IV. Artisans face no hurdles in independently navigating complex international trade compliances.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

36. To mitigate the logistics disadvantage of being a landlocked state, which critical infrastructure is utilized by Rajasthan's marble and textile exporters to seamlessly route cargo to seaports like Mundra and Kandla?
(A) Statewide networks of dedicated regional domestic passenger airports
(B) Navigable industrial barge routes along the Indira Gandhi Canal network
(C) Cross-border aerial heavy-payload ropeways linking adjoining state borders
(D) Inland Container Depots (ICDs) and Freight Corridors

37. Which of the following is the most appropriate description of how design intervention programmes assist Rajasthani handicraft exports?
(A) They aim to systematically eliminate and replace historical heritage motifs with contemporary western aesthetic patterns.
(B) They help adapt traditional craft skills to suit modern global consumer tastes.
(C) They focus primarily on converting rural handloom weaving units into large-scale heavy industrial chemical manufacturing

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(A) It reduces margins, requiring GI tags to justify premium prices.
(B) It forces traditional master artisans to abandon handcrafting and transition directly to high-volume machine manufacturing.
(C) It produces zero measurable economic impact because international retail buyers are completely unable to distinguish hand-block prints from screen prints.
(D) It enables rural artisans to market mass-produced synthetic imitations at significantly higher market rates than genuine hand-carved heritage items.

68. Read the following statements regarding digital e-commerce platforms for traditional craftsmen and select the correct option.
Assertion (A): Digital e-commerce platforms offer a highly effective future export growth strategy for traditional Rajasthani craftsmen.
Reason (R): E-commerce platforms completely eliminate the need for any quality checks, allowing substandard goods to be easily exported.
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

69. Makrana is globally historically renowned for the export of which premium dimensional stone, used prominently in monumental architecture?
(A) Pink Granite
(B) White Marble
(C) Red Sandstone
(D) Black Slate

70. Consider the following statements about the export facilitation framework in Rajasthan:
I. The Rajasthan Export Promotion Council (REPC) focuses heavily on traditional crafts alongside modern industries.
II. State-sponsored participation in global expos aims to connect local artisans with international B2B buyers.
III. Exporters in Rajasthan enjoy direct access to deep-water oceanic ports within the state's borders.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

71. Identify the INCORRECT statement regarding the export of Rajasthani textiles.
(A) Bhilwara is internationally recognized as the textile city of Rajasthan.
(B) Traditional block prints like Bagru and Sanganeri have strong export demand in ethnic fashion segments.
(C) Bandhani tie-dye crafts are exported as both yardage fabric and finished apparel.
(D) Rajasthan contributes nothing to India's readymade garment export sector.

72. Which of the following correctly pairs a Rajasthani handicraft with the core design innovation strategy required to boost its future exports?
(A) Blending traditional carvings with modern minimalist utility designs.
(B) Blue Pottery - Introducing heavy metals like lead to increase durability.
(C) Kota Doria - Replacing cotton and silk entirely with heavy polyester.
(D) Bagru Prints - Transitioning entirely to digital printing to bypass the hand-block process.

73. Which of the following is the BEST description of why Jaipur emerged as a global hub for coloured gemstone processing, despite Rajasthan not being a major primary miner of rough precious stones?
(A) State statutory regulations strictly mandate that all internationally imported rough gemstones must undergo mandatory processing within Jaipur.
(B) Centuries of royal patronage built a skilled artisan base in gem processing.
(C) Jaipur hosts the subcontinent's largest deep-water natural oceanic seaport designed specifically for importing raw un-cut precious mineral stones.
(D) Jaipur remains uniquely distinguished as the sole municipality globally possessing technological access to automated laser stone-cutting machinery.

74. Choose the odd one out in terms of prominent export-oriented industrial and agricultural commodities from Rajasthan:
(A) Guar Gum
(B) Raw Marine Fish

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1. Facilitates containerized rail transport to seaports
2. Apex state-level council supporting exporters
3. Protects intellectual property of regional crafts
4. Serves as a single-window facilitation bureau

(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-2, R-4, S-1
(C) P-4, Q-1, R-2, S-3
(D) P-2, Q-1, R-3, S-4

46. Identify the CORRECT statement regarding Rajasthan's textile export landscape.
(A) Rajasthan exclusively exports unprocessed raw cotton bales and lacks any domestic finished garment manufacturing units.
(B) Commercial export of all traditional handloom textiles has been permanently prohibited under central government legislation.
(C) Bhilwara is a key hub for synthetic blended suiting fabric exports.
(D) Lightweight Kota Doria woven fabrics are predominantly exported abroad for heavy-duty industrial fluid filtration systems.

47. In the context of government handicraft development schemes, what is the primary purpose of a "Common Facility Centre" (CFC) established in craft clusters?
(A) To function as a state-subsidized luxury residential hospitality complex for visiting foreign trade delegations and tourists.
(B) To offer artisans shared access to advanced machinery, testing labs, and design tools.
(C) To operate as an administrative tax collection office enforcing central government tariff duties on local handicraft production.
(D) To serve as a secure bonded warehouse facility for storing imported foreign luxury items prior to domestic market retail distribution.

48. Read the following statements regarding export promotion schemes in Rajasthan and select the correct option.
Assertion (A): Participation in international trade fairs is heavily subsidized and promoted under Rajasthan's export promotion schemes.
Reason (R): Trade fairs provide critical B2B platforms for traditional artisans to connect directly with bulk international buyers and understand global market trends.
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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49. Which of the following traditional leather products from Rajasthan constitutes a niche but culturally significant segment of handicraft exports?
(A) Embroidered leather Mojaris
(B) Heavy-duty reinforced industrial safety harnesses
(C) Commercial grade leather mechanical transmission belts
(D) Custom synthetic leather automobile upholstery covers

50. Consider the following statements regarding the logistics challenges faced by Rajasthan's exporters:
I. Being landlocked inherently increases the transit time to major oceanic trade routes.
II. Inland freight costs generally make bulky exports like marble and stone less price-competitive.
III. Rajasthan's extensive coastal ports perfectly offset all land transit issues.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

51. Which of the following statements concerning the impact of e-commerce on Rajasthani handicraft exports is INCORRECT?
(A) It makes securing Geographic Indication (GI) tags completely irrelevant for online sales.
(B) It reduces the dependency of rural artisans on traditional middlemen.
(C) It requires digital literacy and cataloguing skills which necessitates government skill intervention.
(D) It allows niche traditional crafts to find micro-markets globally.

52. Which of the following pairs correctly matches a traditional Rajasthan export craft with its primary raw material?
(A) Sanganeri Print - High-grade Synthetic

facilities.
(D) They provide financial incentives encouraging traditional craft artisans to leave their heritage trades and adopt software programming.

38. Choose the odd one out in the context of major traditional export-oriented craft clusters in Rajasthan:
(A) Jaipur - Gems and Jewellery
(B) Jodhpur - Wooden Handicrafts
(C) Moradabad - Brassware
(D) Bhilwara - Suiting Fabrics

39. Consider the following two statements regarding textile exports in Rajasthan:
Statement I: Counterfeit machine-printed fabrics marketed as 'Sanganeri' negatively impact the livelihood of authentic block-print artisans.
Statement II: The Geographical Indication (GI) registry provides a legal mechanism to penalize the unauthorized commercial use of registered regional craft names.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

40. Arrange the chronological stages of executing an international e-commerce export order for a rural Rajasthani artisan:
1. Dispatching via authorized international courier or postal export network.
2. Listing the handcrafted product on a global B2C digital marketplace.
3. Receiving payment via an authorized international payment gateway.
4. Digital cataloguing and high-quality product photography.

(A) 4, 2, 3, 1
(B) 2, 4, 1, 3
(C) 4, 3, 2, 1
(D) 2, 1, 3, 4

41. The export of processed marble and dimensional stones from Rajasthan predominantly caters to which global industry?
(A) The active raw material synthesis in the global pharmaceutical manufacturing sector
(B) The international construction and architectural sector
(C) The commercial structural fabrication within the global aerospace and defense sector
(D) The precision component assembly in the high-tech semiconductor electronics sector

42. Which of the following factors does NOT contribute to the global export demand for Rajasthan's Guar Gum?
(A) Its utility as a thickening agent in the food industry
(B) Its use as a primary fuel source for nuclear reactors
(C) Its use as a friction-reducing agent in oil well fracturing
(D) Its application as a stabilizing agent in cosmetics

43. The geographical cluster of Jodhpur is globally recognized primarily for the export of which specific category of manufactured goods?
(A) Handcrafted wooden furniture and iron artifacts
(B) Specialized precision navigation equipment for commercial marine vessels
(C) Laboratory-grown synthetic diamonds and industrial abrasive crystals
(D) Heavy-duty diesel agricultural tractors and mechanized farming machinery

44. What gives Kota Doria its distinctive visual characteristic that is highly valued in the export market for lightweight ethnic wear?
(A) Intricate heavy zardozi embroidery executed exclusively with pure metallic gold and silver wires.
(B) Coarse hand-spun camel wool strands densely interwoven with high-grade mulberry silk threads.
(C) Square checkered 'khats' created by varied yarn grid patterns.
(D) Multiple coats of organic wax applied to the fabric surface to render it entirely waterproof.

45. Match the institution/concept in List I with its primary role in Rajasthan's exports in List II.
List I: (Institution/Concept)
P. REPC
Q. GI Tag
R. ICD
S. EPB
List II: (Role)

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60. Select the correct sequence reflecting the value addition process in the Jaipur gems and jewellery export industry:
1. Cutting, polishing, and facetting of the stone.
2. Sourcing of rough coloured gemstones from international or domestic markets.
3. Exporting the finished gem or studded jewellery to global markets.
4. Setting the polished gemstone into precious metal jewellery designs.

(A) 2, 1, 4, 3
(B) 1, 2, 3, 4
(C) 2, 4, 1, 3
(D) 4, 1, 2, 3

61. Bagru prints are highly valued in the export textile market. Which of the following is a key distinguishing characteristic of authentic Bagru block printing?
(A) Bright coloration achieved through the extensive application of neon synthetic chemical dyes.
(B) Exclusive application of resist block motifs onto treated heavy animal hides and leather sheets.
(C) High-speed digital sublimation printing reproducing modern geometric abstract patterns on synthetics.
(D) Printing with natural dyes on dark indigo or madder backgrounds.

62. Which of the following is NOT an export promotion scheme or initiative typically utilized by the Government of Rajasthan to support local handicraft artisans?
(A) Providing extensive transport and freight subsidies to offset landlocked operational transit costs.
(B) Offering comprehensive financial grants to help artisans participate in overseas international trade expos.
(C) Banning foreign tourists from visiting local craft villages.
(D) Setting up state-of-the-art craft-specific Common Facility Centres equipped with modern machinery.

63. The primary hub for the export of polished Granite dimensional stone in Rajasthan, often referred to as the "Granite City", is:
(A) Bikaner
(B) Jalore
(C) Alwar
(D) Churu

64. Market diversification approaches for Rajasthan's exports generally involve:
(A) Restricting sales of traditional crafts exclusively to domestic local markets while avoiding international trade.
(B) Deliberately reducing overseas trade destinations to concentrate sales strategy exclusively on one single foreign country.
(C) Mandating through state regulations that all local artisans produce one single standardized commodity across all clusters.
(D) Entering non-traditional markets across Latin America, Africa, and Eastern Europe.

65. Match the specialized Rajasthani export product in List I with its prominent associated geographical cluster in List II.
List I: (Export Product)
P. Guar Gum
Q. Emerald Polishing
R. Worsted Suiting
S. Wooden Handicrafts
List II: (Geographical Cluster)
1. Jaipur
2. Jodhpur
3. Bhilwara
4. Rajasthan (General Dominance/Western Arid Region)

(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-3, Q-1, R-2, S-4

66. Identify the CORRECT statement regarding the role of skill certification in Rajasthan's handicraft export strategy.
(A) Skill certification is officially discouraged by trade associations because certified artisans demand higher baseline wages.
(B) Regulatory skill certification is legally mandatory only for handcrafted items commercialized within local village boundaries.
(C) It assures global buyers of consistent quality and ethical labor standards.
(D) Central government statutory bodies have enacted a complete nationwide ban on issuing skill certificates for traditional crafts.

67. How does the presence of low-cost imitation products directly impact the pricing strategy of authentic Rajasthani handicraft exports?

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ANSWERS

1. (A) Engineering goods, textiles, and handicrafts
Rajasthan has established a prominent presence in international trade through several key manufacturing and handicraft sectors. Historically, engineering items, synthetic and natural textiles, and traditional artistic handicrafts constitute the major share of the state's total export value. These diverse sectors generate significant foreign exchange earnings and support localized artisanal and industrial employment across major regional production hubs throughout the state.

2. (C) Cutting and polishing of emeralds and coloured gemstones
Jaipur is internationally renowned as a primary global trading and processing center for precious and semi-precious stones. The city's master lapidary artisans possess historical expertise in cutting, polishing, and facetting emeralds and various coloured gemstones. Raw un-cut minerals are imported globally, refined using precise traditional techniques, and exported worldwide as high-value polished gemstones and studded jewellery items.

3. (A) Synthetic worsted suiting fabric and yarn
Bhilwara is widely designated as the textile capital of Rajasthan due to its massive concentration of spinning, weaving, and processing units. The district commands a dominant market share in both domestic supply and global exports of synthetic worsted suiting fabrics and synthetic blended yarns. Advanced manufacturing technology combined with high production capacities enables the region to satisfy international standards.

4. (D) Bandhani
Bandhani is a traditional Indian tie-and-dye textile technique indigenous to Rajasthan and Gujarat. Craftsmen tightly bind portions of fabric with thread before immersing the material into rich dye baths to form intricate geometric patterns and motifs. Finished Bandhani garments and fabrics command substantial demand across international markets due to their authentic heritage, artistic craftsmanship, and vibrant aesthetic appeal.

5. (A) P-2, Q-3, R-4, S-1
Jaipur is a globally recognized processing cluster for coloured gemstones, while Jodhpur dominates the export market in handcrafted wooden furniture. Bhilwara specializes in synthetic worsted suiting fabrics, making it a prominent textile manufacturing center. Kishangarh is internationally famous for processing and trading fine marble slabs and tiles, completing this major mapping of specialized industrial and artisanal export hubs.

6. (C) Basalt
Rajasthan is exceptionally rich in dimensional stones, leading national exports in processed marble, granite, and sandstone varieties. Basalt, however, is an extrusive igneous rock primarily found in volcanic traprock regions like Maharashtra and is not recognized as a primary dimensional stone exported from Rajasthan's commercial stone clusters. Regional stone exports concentrate almost exclusively on decorative dimensional varieties.

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7. (D) Natural clay
Traditional Rajasthani Blue Pottery is globally unique because it is crafted without using natural clay. Instead, the dough mixture is prepared using quartz powder, powdered glass, Multani mitti, gum, and water. Eliminating natural clay yields a distinctive translucent appearance after low-temperature kiln firing, setting this decorative craft apart from conventional pottery items in international export markets.

8. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Exporters operating within landlocked regions inherently encounter elevated inland logistics expenditures due to long transportation distances to oceanic ports. Rajasthan lacks direct maritime access, necessitating the transit of exported goods across substantial distances via rail or road to coastal ports or inland container depots before ocean shipment. Consequently, higher transport costs directly result from this geographical, landlocked position.

(C) Processed Marble Slabs
(D) Synthetic Worsted Yarn

75. Consider the following statements regarding the institutional support for Rajasthan's exports:
I. The Export Promotion Bureau serves as the nodal agency for addressing exporter grievances.
II. Financial grants are often provided to MSMEs for acquiring international quality certifications (like ISO).
III. Marketing support schemes ignore international markets and focus solely on state-level fairs.
IV. GI-registration is actively facilitated by the state to protect traditional craft clusters.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

76. In the global context, which industrial sector creates the largest bulk export demand for Rajasthan's Guar Gum derivatives?
(A) The global commercial aerospace and lightweight composite materials sector
(B) The high-precision global semiconductor wafer fabrication industry
(C) The petroleum and shale gas extraction industry
(D) The global synthetic rubber and industrial polymer manufacturing sector

77. Consider the following two statements regarding Geographical Indication (GI) tags:
Statement I: The Geographical Indication (GI) tag guarantees that the product possesses certain specific qualities naturally or due to its geographical origin.
Statement II: A GI tag allows any manufacturer anywhere in the world to legally use the product name as long as they copy the design accurately.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

78. Which of the following craft sectors of Rajasthan relies heavily on the "Khejri" and "Rohida" native tree species, alongside commercially sourced timber, for specialized artisanal exports?
(A) Chemical raw material formulation for Blue Pottery glazes
(B) Botanical extraction of natural organic dyes for textiles
(C) Traditional Wooden Handicrafts
(D) Artisanal vegetable tanning of leather hides for Mojaris

79. What does the term "value addition" most accurately refer to in the context of exporting Rajasthani marble?
(A) Exporting raw, unhewn, un-cut marble blocks directly from open-cast mining sites without secondary processing.
(B) Processing raw marble into polished slabs and carved artefacts.
(C) Levying higher administrative export duties and statutory tariffs on unprocessed raw mineral stone shipments.
(D) Finely pulverizing marble waste dust and mixing it with agricultural soil beds to increase crop harvest yields.

80. Arrange the general steps involved in legally securing a Geographical Indication (GI) tag to protect a traditional Rajasthani craft's export value:
1. Pre-examination by the GI Registry and addressing discrepancies.
2. Formal application filing by an association of producers or a government body.
3. Publication in the GI Journal for public opposition.
4. Gathering historical proof of origin, unique characteristics, and defining the geographical territory.
5. Final registration and issuance of the GI certificate.
(A) 4, 2, 1, 3, 5
(B) 2, 4, 1, 3, 5
(C) 4, 1, 2, 3, 5
(D) 2, 1, 4, 3, 5

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(B) Mojari - Woven Coconut Coir and Jute Fibres
(C) Bandhani - Polished Industrial Processed Marble
(D) Blue Pottery - Quartz and Glass

53. To combat the challenge of low-cost, machine-made imitation products globally, what is the most sustainable future export growth strategy for Rajasthani artisans?
(A) Drastically reducing wholesale export pricing structures through the systemic exploitation of unorganized informal labor.
(B) Leveraging GI tags and highlighting authenticity in premium niche markets.
(C) Phasing out artisanal production completely to transition into mechanized, high-volume factory manufacturing of synthetic items.
(D) Terminating all international trade operations to sell handloom inventory exclusively within local rural village weekly markets.

54. Choose the odd one out among the following items, as it does NOT represent a Geographical Indication (GI) tagged product from Rajasthan:
(A) Bagru Hand Block Print
(B) Kota Doria
(C) Phulkari
(D) Sanganeri Hand Block Print

55. Consider the following statements about Rajasthan's export profile:
I. Engineering goods and textiles form a major chunk of the state's total export value.
II. Jaipur's gemstone industry focuses predominantly on the domestic market and has zero export footprint.
III. Handicrafts and wooden furniture are primarily exported from clusters like Jodhpur.
IV. The state government promotes exports through the Export Promotion Bureau.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

56. Which of the following woods is traditionally and most widely utilized in Jodhpur's handcrafted wooden furniture export industry?
(A) Sheesham and Mango wood
(B) Fragrant White Sandalwood timber
(C) Ultra-lightweight commercial Balsa wood
(D) Imported high-grade Canadian Pine timber

57. Consider the following two statements regarding Rajasthan's handicraft sector:
Statement I: The primary comparative advantage of Rajasthan's handicraft sector in the global market is its rich cultural heritage and traditional design aesthetics.
Statement II: Global buyers increasingly demand compliance with sustainability and fair-trade standards for handcrafted imports.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

58. Sector-specific Export Promotion Councils (EPCs) play a crucial role for exporters. Which of the following functions is typically NOT performed by an EPC?
(A) Collecting international market intelligence and sharing it with exporters.
(B) Directly manufacturing handicraft goods to compete with local artisans.
(C) Issuing the Registration-cum-Membership Certificate (RCMC) required for export benefits.
(D) Organizing buyer-seller meets and international exhibitions.

59. The global reach of artisan products from Rajasthan via digital marketplaces relies heavily on solving which of the following secondary logistics challenges?
(A) Reliable first-mile logistics and parcel shipping from rural clusters.
(B) Constructing fully operational cargo airfields and private airstrips in every rural artisan village.
(C) Completely resolving macro-level global telecommunications and internet bandwidth throughput constraints.
(D) Setting up state-owned physical brick-and-mortar retail flagship stores in every major European capital city.

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9. (B) Hydraulic fracturing (fracking) in shale gas extraction
Guar gum is derived from the endosperm of guar seeds cultivated extensively in arid regions. Its primary international industrial demand is driven by the oil and gas sector, where it functions as a highly effective gelling agent and thickener in hydraulic fracturing fluid. This specialized industrial property makes it indispensable for shale gas extraction operations globally.

10. (A) I and II only
Handcrafted leather Mojari footwear constitutes a major cultural handicraft export, with Jodhpur and Jaipur operating as primary manufacturing hubs where master artisans craft intricate designs. The sector relies heavily on manual craftsmanship, traditional leather tanning, and detailed hand embroidery. Assertions claiming that production relies completely on heavy automated machinery with zero manual labor are entirely inaccurate.

11. (A) Rajasthan Export Promotion Council (REPC)
The Rajasthan Export Promotion Council was established specifically to empower state exporters, address operational grievances, and promote local products internationally. Operating as an institutional facilitation body, it assists micro, small, and medium enterprises in accessing global trade opportunities, organizing trade fairs, navigating export procedures, and expanding market reach across non-traditional international commercial destinations.

12. (C) Molela Clay Work - Bikaner
Molela Clay Work is a celebrated Geographical Indication tagged terracota craft originating from Molela village located in Rajsamand district, not Bikaner. Bagru prints belong to Jaipur, Kota Doria is associated with Kota, and Thewa art represents Pratapgarh's unique gold-on-glass craft. Attributing Molela terracotta production to Bikaner represents an incorrect geographical pairing among regional crafts.

13. (D) Legally certifies geographical origin and traditional methods to command premium pricing.
Securing a Geographical Indication tag legally certifies the unique geographical origin, authentic heritage, and traditional production methods of specialized crafts like Sanganeri block prints. This legal protection prevents unauthorized commercial imitations, builds global brand authenticity, protects local artisan communities from counterfeit products, and enables producers to command premium price points in competitive international markets.

14. (D) Statement I is incorrect but Statement II is correct.
Traditional wooden craft exports from Rajasthan concentrate on solid wood handcrafted furniture and antique reproductions rather than modern modular plywood items. Jodhpur serves as the globally recognized hub for these detailed wooden artifacts, utilizing Sheesham and Mango wood. Therefore, claims describing exports as modular plywood are incorrect, while identifying Jodhpur as the solid wood hub is accurate.

15. (B) I, III, and IV only
State handicraft promotion schemes active in Rajasthan support exporters by subsidizing participation in overseas trade expos, upgrading artisanal skills, introducing modern design interventions, and facilitating onboarding onto digital e-commerce channels. However, these programs do not ban machine-made textile exports, as commercial textile mills operate alongside handloom sectors without state prohibitions on power-loom manufacturing.

16. (D) To register, train, and assist local firms to become active exporters.
The Niryat Bano mission was launched in Rajasthan to expand the state's export base by identifying, registering, and mentoring potential local entrepreneurs and micro-enterprises. The initiative offers guidance on obtaining necessary documentation like Importer-Exporter Codes, navigating customs procedures, meeting international regulatory standards, and accessing foreign markets to transition domestic businesses into active exporters.

17. (A) Provides direct B2C global access, bypassing export middlemen.
Integrating digital e-commerce platforms into traditional craft export channels grants rural artisans direct business-to-consumer access to global buyers. Bypassing multiple layers of intermediaries enables craftsmen to retain higher profit margins, control product pricing, showcase authentic artisanal heritage globally, and directly

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engage with international niche markets without relying on conventional physical export houses.

18. (C) Usta Art
Usta Art is a world-renowned gold embosse decorative craft executed primarily on processed camel hide, wood, or walls, originating from Bikaner. Unlike Bagru prints, Kota Doria, and Sanganeri prints, which are natively fabric and textile-based traditional exports, Usta Art is classified strictly under decorative leather and gilding arts rather than woven or printed textile products.

19. (A) Inflow of cheap machine-made screen-printed imitations.
The primary challenge confronting authentic hand block-printed textiles like Sanganeri and Bagru is the widespread influx of cheap, mass-produced screen-printed and digitally printed imitations. These low-cost industrial replicas duplicate traditional hand-block designs rapidly, flooding global markets at fractions of the price and deceiving consumers, thereby severely eroding market share and pricing power for authentic artisans.

20. (B) 2, 1, 3, 4
To begin exporting legally from India, an enterprise must first register as a recognized business entity. Following registration, the firm must secure an Importer-Exporter Code from the Directorate General of Foreign Trade. Subsequently, joining a relevant Export Promotion Council enables access to incentives before finally securing foreign purchase orders and managing international logistics.

21. (B) Pink Sandstone
Bansi Paharpur in Rajasthan is internationally renowned for its rich deposits of high-quality pink sandstone. This distinct dimensional stone has been utilized for centuries in heritage architecture, temples, and monumental structures worldwide. The region exports extensive quantities of raw blocks, carved architectural elements, and finished sandstone tiles to satisfy international demands for durable construction material.

22. (C) Imposing heavy state export duties on traditional crafts to restrict volume.
State export promotion strategies focus on expanding geographical markets, facilitating international design interventions, providing quality certifications, and offering logistics support to enhance global competitiveness. Imposing heavy state export duties would severely penalize exporters, inflate product prices, reduce international price competitiveness, and restrict export volumes, which directly contradicts state economic growth and export promotion policies.

23. (D) Serving as a single-window node to resolve exporter issues.
The Export Promotion Bureau operates as a specialized state government facilitation agency designed to assist exporters across Rajasthan. Its core responsibility involves serving as a single-window institutional framework to resolve exporter grievances, streamline regulatory processes, inter-departmentally coordinate logistics infrastructure issues, and foster a conducive business environment for expanding international trade from the state.

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24. (A) Proof of legal timber sourcing, sustainable forestry, and wood treatment.
International buyers, particularly in North America and Western Europe, mandate strict compliance with environmental regulations regarding imported wooden handicrafts. Exporters must provide legal documentation proving sustainable timber sourcing, non-prohibited tree species utilization, responsible forestry practices, and mandatory phytosanitary chemical treatments to prevent insect infestation and protect global ecosystems from invasive species.

25. (A) P-4, Q-3, R-1, S-2
Sanganeri block printing features bright floral motifs on light or white backgrounds, while Bagru print utilizes natural dyes on dark indigo or madder bases. Kota Doria is characterized by its distinctive woven square check patterns called khats, whereas Blue Pottery is unique for using quartz sand without natural clay, perfectly matching all listed product characteristics.

26. (B) Indian Handicrafts & Gifts Fair (IHGF) Delhi Fair
The Indian Handicrafts & Gifts Fair Delhi Fair, organized by the Export Promotion Council for Handicrafts, is among Asia's largest business-to-business sourcing events. Exporters from Jaipur, Jodhpur, and across Rajasthan regularly participate to exhibit handcrafted wooden furniture, home decor, textiles, and artistic

artifacts directly to thousands of overseas buyers, trade representatives, and foreign importers.

27. (A) GI tags verify authentic heritage, origin, and artisanal skill for conscious buyers.
Geographical Indication tags validate that a product possesses distinct qualities, traditional artisanal craft skills, and cultural origin associated with a specific geographic location. Conscious international buyers are willing to pay premium prices for GI-certified items because the tag guarantees product authenticity, prevents industrial counterfeit imitations, and directly supports the heritage and livelihoods of native craft communities.

28. (C) Assertion (A) is true but Reason (R) is false.
Maintaining rigorous quality standards and skill certifications is vital for Rajasthan's handicrafts to remain competitive in global markets. Contrary to assuming international buyers lower standards for handmade goods, foreign markets maintain strict quality, safety, and durability criteria. Handcrafted items must meet precise dimensional tolerances and finishing standards to satisfy modern consumer expectations abroad.

29. (D) Kishangarh
Kishangarh is widely recognized as the largest marble processing, trading, and cutting cluster in Rajasthan and across Asia. Housing hundreds of modern gang-saw processing plants and expansive stone yards, the town imports raw marble blocks globally and processes local dimensional stones into refined slabs and tiles, driving significant domestic sales and international stone exports.

30. (B) II only
Rajasthan generates over seventy percent of India's total guar seed output, making guar gum a critical agricultural and industrial export commodity rather than a traditional cultural handicraft. Major destination markets include the United States, where the gum is extensively used in shale gas hydraulic fracturing. Therefore, classifying guar gum as a traditional handicraft is incorrect.

31. (B) Rajasthan possesses active diamond mines that fulfill all industrial gemstone requirements.
Jaipur is a globally renowned lapidary hub specializing in the cutting, polishing, and trading of coloured gemstones like emeralds. However, Rajasthan does not possess active commercial diamond mines to meet industrial or gemstone requirements. Rough diamonds and un-cut precious minerals are imported globally before being processed by skilled local lapidary master artisans for re-export.

32. (D) Resist dyeing
Bandhani is a traditional fabric processing technique categorized technically under resist dyeing. Skilled artisans tie minuscule portions of un-dyed fabric tightly with water-resistant thread before dipping the textile into dye baths. The tied areas resist color absorption, producing distinct patterns of intricate dots, rings, and geometric designs once untied, defining this classic handcraft technique.

33. (A) Inland Container Depot (ICD) - Handles customs clearance and container freight for landlocked exporters.
Inland Container Depots serve as dry ports located in interior regions to facilitate customs clearance, container handling, freight consolidation, and bonded storage for landlocked exporters. In landlocked states, ICDs significantly streamline export logistics by allowing goods to undergo complete customs processing locally before rail or road transport directly to maritime seaports for ocean shipping.

34. (C) Decorative interior artefacts and tableware
Rajasthan's traditional Blue Pottery occupies a specialized niche market internationally, catering primarily to decorative interior home decor, giftware, and artistic tableware segments. Known for its distinct turquoise-blue hues, floral motifs, and glazed porcelain-like appearance, the craft is sought after globally by interior designers and collectors rather than utilized in heavy industrial ceramic applications.

35. (A) I, II, and III only
Exporters of traditional crafts face intense global competition from low-cost, mass-produced items from Southeast Asian nations and machine-made counterfeit imitations that undercut prices. Additionally, high inland transit times from landlocked centers complicate adherence to tight international fashion delivery schedules. Artisans also face operational hurdles navigating complex international trade regulations and export documentations independently.

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cities
(C) Proliferation of urban slums and heavy reliance on informal sector employment
(D) A strict governmental policy banning rural-to-urban migration across the nation

9. Disguised unemployment is a major driver of poverty in the Indian agricultural sector. What does this term imply?
(A) Educated workers who actively seek employment but are unable to find suitable formal jobs
(B) Individuals who are employed in low-paying jobs that fail to fully utilize their skill sets
(C) Employment opportunities that are available exclusively during specific seasonal months of the year
(D) A condition where more workers are engaged than required, yielding zero marginal productivity

10. How does low agricultural productivity directly contribute to the persistence of rural poverty?
(A) It reduces marketable surplus, causing low farm incomes and suppressed agricultural wages.
(B) It forces small rural landholders to continuously import costly heavy machinery, causing severe debt crises.
(C) It artificially inflates rural consumer demand for manufactured industrial goods, rapidly depleting local savings.
(D) It triggers an immediate and widespread displacement of the entire rural labor force into the urban tertiary sector.

11. Aridity is a major cause of poverty in Rajasthan. Which of the following accurately describes the poverty mechanism triggered by aridity in the state?
(A) Severe aridity permanently restricts the extraction of vital underground mineral reserves, depriving the state government of major industrial revenues.
(B) Low rainfall and extreme heat cause recurrent crop failures and livestock mortality, destabilizing farm incomes.
(C) Rapid desertification artificially inflates agricultural land market values, preventing resource-poor marginal farmers from acquiring cultivable holdings.
(D) Harsh arid climatic conditions completely prevent the development and growth of a sustainable tourism sector throughout western Rajasthan.

12. Consider the following statements regarding poverty estimation committees in India:
I. The Lakdawala Committee recommended state-specific poverty lines based on CPI-AL and CPI-IW.
II. The Tendulkar Committee utilized the Mixed Reference Period (MRP) for its estimates.
III. The Rangarajan Committee reverted entirely to the Uniform Reference Period (URP).
IV. The Alagh Task Force (1979) defined poverty lines based solely on a minimum nutritional requirement of calories.
Which of the above statements are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

13. Limited industrialization in Rajasthan contributes significantly to poverty. What is the primary reason this macroeconomic feature exacerbates poverty?
(A) It restricts non-farm job creation for surplus agricultural labor, maintaining high agricultural dependency.
(B) It creates an unprecedented structural surplus of highly trained technical and engineering workers without matching employment opportunities.
(C) It compels regional authorities and state administrations to rely entirely on importing essential food crops from neighboring agricultural states.
(D) It systematically erodes the commercial market demand and growth potential for traditional rural handicrafts and artisan handloom sectors.

14. Which of the following represents the correct chronological order of poverty estimation committees in India based on their year of constitution?
(A) Y.K. Alagh Task Force, Lakdawala Committee, Tendulkar Committee, Rangarajan Committee
(B) Lakdawala Committee, Y.K. Alagh Task Force, Tendulkar Committee, Rangarajan Committee
(C) Y.K. Alagh Task Force, Tendulkar Committee, Lakdawala Committee, Rangarajan Committee
(D) Tendulkar Committee, Y.K. Alagh Task

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45. (A) P-2, Q-3, R-1, S-4
The Rajasthan Export Promotion Council acts as the apex state body supporting exporters, while Geographical Indication tags protect intellectual property rights of traditional regional crafts. Inland Container Depots facilitate containerized transport to ocean seaports, and the Export Promotion Bureau functions as a single-window facilitation bureau for addressing exporter grievances and regulatory issues.

46. (C) Bhilwara is a key hub for synthetic blended suiting fabric exports.
Bhilwara is recognized globally as a major manufacturing and export hub for synthetic blended suiting fabrics and worsted yarn. It houses numerous modern spinning and weaving mills supplying global apparel markets. Claims that Rajasthan exports only raw cotton, bans handlooms, or exports Kota Doria for industrial filtration are entirely incorrect descriptions of the textile sector.

47. (B) To offer artisans shared access to advanced machinery, testing labs, and design tools.
Common Facility Centres established in craft clusters serve as collective technological hubs providing local artisans with shared access to modern machinery, advanced design software, testing laboratories, and specialized processing equipment. By pooling expensive capital infrastructure, CFCs enable small-scale craftsmen to improve product quality, standardize specifications, reduce manufacturing costs, and meet stringent international export benchmarks.

48. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Participation in foreign trade fairs is actively subsidized under state export promotion policies because exhibitions provide critical business-to-business networking venues. Artisans and exporters interact directly with international bulk buyers, negotiate export orders, observe changing global design trends, and gain market intelligence, directly validating the strategic importance of state support for international trade fair participation.

49. (A) Embroidered leather Mojaris
Handcrafted Mojaris represent an iconic traditional leather craft from Rajasthan, featuring rich hand embroidery, silk threadwork, and embellished patterns on tanned hide. Produced extensively in craft centers like Jaipur and Jodhpur, these ethnic footwear products are exported internationally to niche fashion markets, cultural heritage boutiques, and global diaspora consumers seeking authentic traditional footwear.

50. (A) I and II only
Rajasthan's landlocked geographical location increases transit time and overland freight costs to major ocean ports, reducing the price competitiveness of bulky export commodities like dimensional marble and stone slabs. Furthermore, the state does not possess domestic deep-water oceanic ports, making claims regarding native coastal facilities completely false while confirming the inland transit constraints faced by exporters.

51. (A) It makes securing Geographic Indication (GI) tags completely irrelevant for online sales.
E-commerce integration transforms handicraft exports by connecting rural artisans directly to global consumers, reducing reliance on intermediaries, and expanding micro-market outreach. However, digital selling does not render Geographical Indication tags irrelevant; instead, GI certifications become even more critical online to prove authentic origin and distinguish genuine handcrafted items from widespread digital counterfeits.

52. (D) Blue Pottery - Quartz and Glass
Traditional Blue Pottery from Rajasthan is unique because it is formulated without natural clay, using a dough made from ground quartz powder, glass, Multani mitti, and natural gums. This precise raw material composition produces its characteristic translucent ceramic body and smooth turquoise glazed finish, accurately distinguishing it from traditional clay-based or synthetic ceramic manufacturing methods.

53. (B) Leveraging GI tags and highlighting authenticity in premium niche markets.
To counter low-cost, mass-produced machine imitations in global markets, the most sustainable long-term strategy for artisans is securing Geographical Indication protection and promoting authentic craftsmanship. Targetting

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premium niche markets valuing heritage, sustainability, and fair-trade ethics allows craftsmen to command higher prices based on certified origin, rather than competing in low-margin mass production segments.

54. (C) Phulkari
Phulkari is a traditional floral embroidery craft indigenous to the state of Punjab and holds a Geographical Indication tag associated with that region. In contrast, Bagru print, Kota Doria, and Sanganeri print are famous traditional crafts originating from Rajasthan, each holding distinct GI tag certifications representing their respective Rajasthani heritage clusters.

55. (B) I, III, and IV only
Engineering goods and textiles constitute major components of Rajasthan's total export turnover, while Jodhpur dominates exports in handcrafted wooden furniture. The state actively facilitates international trade through bodies like the Export Promotion Bureau. The assertion that Jaipur's gemstone industry has zero export footprint is false, as Jaipur is an internationally renowned gemstone export hub.

56. (A) Sheesham and Mango wood
Jodhpur's handcrafted wooden furniture export sector relies predominantly on locally and regionally sourced Sheesham and Mango wood. These hardwoods possess excellent structural durability, distinct natural grain aesthetics, and high workability, making them ideal for carving, seasoned joinery, and antique finishing techniques highly appreciated by international furniture buyers and home decor importers.

57. (A) Both Statement I and Statement II are correct.
Rajasthan's primary competitive advantage in global craft markets stems from its rich cultural heritage, artisanal skills, and authentic traditional design motifs. Simultaneously, modern international buyers increasingly demand compliance with ethical labor practices, environmental sustainability, and fair-trade certifications, making both historical design heritage and modern ethical standards vital for sustained export success.

58. (B) Directly manufacturing handicraft goods to compete with local artisans.
Export Promotion Councils act as institutional support bodies that provide market intelligence, issue Registration-cum-Membership Certificates required for government export benefits, and organize buyer-seller meets globally. They do not directly engage in manufacturing goods to compete with commercial producers or local artisans, as their primary mandate is promotional, developmental, and regulatory facilitation for registered members.

59. (A) Reliable first-mile logistics and parcel shipping from rural clusters.
For rural artisans in Rajasthan to successfully leverage global e-commerce platforms, solving first-mile logistics challenges is critical. Reliable local collection, localized parcel packaging, and seamless transportation from remote village clusters to centralized international courier hubs are essential to ensure timely delivery, maintain order integrity, and build global customer confidence in cross-border digital transactions.

60. (A) 2, 1, 4, 3
The value addition process in Jaipur's gemstone industry begins with sourcing rough, un-cut coloured gemstones globally or domestically. Next, master artisans cut, polish, and facet the stones to maximize color and brilliance. The polished gems are then set into precious metal jewellery designs before the finished studded items are exported to global markets.

61. (D) Printing with natural dyes on dark indigo or madder backgrounds.
Bagru hand block printing is distinguished by its traditional use of natural vegetable and mineral dyes applied on dark backgrounds, such as deep indigo blue, madder red, or black. Unlike modern synthetic screen printing, Bagru printing relies on hand-carved wooden blocks and age-old eco-friendly mud-resist dyeing processes to produce authentic ethnic textile patterns.

62. (C) Banning foreign tourists from visiting local craft villages.
The Government of Rajasthan supports craft exports by offering freight subsidies, subsidizing participation in international trade expos, and setting up Common Facility Centres equipped with shared machinery. Banning foreign tourists from visiting craft villages would severely damage

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local tourism, artisan livelihoods, and direct international exposure, directly contradicting state economic and promotional objectives.

63. (B) Jalore
Jalore is universally known as the "Granite City" of Rajasthan due to its vast natural reserves and dense concentration of stone quarrying, cutting, and processing industries. The district processes and exports wide varieties of high-grade polished granite slabs and tiles globally, serving structural construction and luxury architectural markets worldwide.

64. (D) Entering non-traditional markets across Latin America, Africa, and Eastern Europe.
Market diversification strategies for exporters involve expanding sales networks beyond traditional buyers into emerging non-traditional geographical markets, such as Latin America, Africa, and Eastern Europe. Spreading market presence across multiple global regions reduces economic dependency on a single buyer country, mitigates international trade risks, and opens new commercial avenues for regional products.

65. (A) P-4, Q-1, R-3, S-2
Guar gum production dominates Western arid regions of Rajasthan, while Jaipur is globally famous for emerald polishing and gemstone processing. Bhilwara stands out as the primary hub for worsted suiting fabrics, and Jodhpur leads in handcrafted wooden furniture exports, demonstrating a clear regional mapping of specialized export industries across the state.

66. (C) It assures global buyers of consistent quality and ethical labor standards.
Skill certification plays a crucial role in modernizing traditional handicrafts by assuring foreign buyers of standardized product quality, authentic craftsmanship, and compliance with fair labor practices. Standardized skill credentials validate the artisan's technical competence, build international consumer trust, enhance brand equity, and help local craft enterprises secure steady, high-value orders from established global trade partners.

67. (A) It reduces margins, requiring GI tags to justify premium prices.
The proliferation of cheap machine-made screen prints lowers market prices, eroding profit margins for authentic hand-block printed textiles. To combat this pricing pressure, craft producers rely on Geographical Indication tags and certified authenticity labels, enabling them to justify premium pricing to conscious international buyers who value genuine heritage and traditional hand craftsmanship over mass-produced imitations.

68. (C) Assertion (A) is true but Reason (R) is false.
Digital e-commerce platforms offer an effective strategy for traditional craftsmen to reach global consumers directly and expand export sales. However, claiming that e-commerce eliminates quality checks is completely false; international digital platforms enforce strict customer feedback mechanisms, return policies, and quality standards, making quality control essential for online export success.

69. (B) White Marble
Makrana in Rajasthan is globally celebrated for its deposits of pure white marble, historically utilized in world-renowned monuments like the Taj Mahal. The town remains a major export center, supplying high-grade white marble slabs, decorative sculptures, and architectural stonework to international markets for luxury construction, monument restoration, and fine structural design.

70. (A) I and II only
The Rajasthan Export Promotion Council actively promotes traditional crafts alongside modern industrial sectors, and state-supported international expos effectively connect local artisans with foreign B2B buyers. However, Rajasthan is a landlocked state with no direct deep-water oceanic seaports within its borders, making the third statement factually incorrect regarding coastal port access.

71. (D) Rajasthan contributes nothing to India's readymade garment export sector.
Bhilwara is recognized as the textile city, block prints like Bagru and Sanganeri enjoy strong ethnic fashion demand, and Bandhani tie-dye fabrics are exported as both fabric and apparel. The statement claiming Rajasthan contributes nothing to India's readymade garment exports is completely false, as the state maintains active apparel manufacturing and export units.

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72. (A) Blending traditional carvings with modern minimalist utility designs.
A vital design innovation strategy for expanding traditional wooden handicraft exports is blending age-old hand-carving techniques with modern, minimalist, and functional utility designs. Adapting classical motifs to suit contemporary living spaces, contemporary storage needs, and modern aesthetic preferences makes traditional wooden artifacts more practical and highly appealing to international consumers.

73. (B) Centuries of royal patronage built a skilled artisan base in gem processing.
Jaipur emerged as a premier global hub for coloured gemstone processing primarily due to centuries of royal patronage, which attracted master lapidaries and nurtured generations of highly skilled artisans. This rich heritage of hand-cutting and polishing expertise established an enduring international reputation, making Jaipur a leading gemstone trading center despite importing rough stones.

74. (B) Raw Marine Fish
Guar gum, processed marble slabs, and synthetic worsted yarn represent major traditional export commodities from landlocked Rajasthan. Raw marine fish is an ocean product originating from coastal maritime states and is not a commercial product or export commodity of landlocked Rajasthan, making it the clear odd item among the listed choices.

75. (B) I, II, and IV only
The Export Promotion Bureau resolves exporter grievances, financial grants support MSMEs in securing ISO quality certifications, and GI registration protects traditional craft clusters. Statement III is incorrect because state marketing support actively encourages participation in international trade fairs and global buyer-seller meets, rather than restricting focus solely to state-level events.

76. (C) The petroleum and shale gas extraction industry
The largest global bulk export demand for guar gum derivatives comes from the petroleum and shale gas extraction industry. Guar gum acts as an essential viscosity-building and friction-reducing gelling agent in hydraulic fracturing fluids, enabling the extraction of oil and natural gas from shale formations, particularly in major international energy markets like North America.

77. (C) Statement I is correct but Statement II is incorrect.
Geographical Indication tags confirm that a product originates from a specific region and possesses unique qualities attributable to its geographical origin or traditional production methods. However, GI tags strictly prohibit unauthorized manufacturers outside the designated region from using the protected name, making Statement II false as GI protection legally restricts name usage exclusively to registered regional producers.

78. (C) Traditional Wooden Handicrafts
Traditional wooden handicraft manufacturing in Rajasthan utilizes native arid tree species such as Khejri and Rohida alongside commercially farmed timber like Sheesham and Mango. Craftsmen carve these resilient local woods to produce intricate artifacts, rustic furniture, and decorative items that reflect authentic desert heritage and attract significant international buyer interest in export markets.

79. (B) Processing raw marble into polished slabs and carved artefacts.
In the marble export sector, value addition refers specifically to transforming raw, un-cut marble blocks extracted from quarries into highly finished products such as polished slabs, edge-profiled tiles, and intricately carved architectural artifacts. This secondary processing significantly increases the commercial market value, aesthetic appeal, and profit margins of exported stone products globally.

80. (A) 4, 2, 1, 3, 5
Securing a Geographical Indication tag involves gathering historical proof of origin and territorial boundaries first, followed by formal application filing by producer associations. Next, the GI Registry conducts pre-examinations to resolve discrepancies before publishing the mark in the GI Journal for public opposition, culminating in official registration and certificate issuance upon final approval.

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CHAPTER 21

Poverty: Concept, Types and Causes

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1. Which of the following best defines "Absolute Poverty" in the context of economic measurement?
(A) A state where a person's income is significantly less than the average income of the society.
(B) A condition where a person lacks the minimum income necessary to meet basic living standards such as food, shelter, and clothing.
(C) A situation where income inequality in a country exceeds the globally accepted Gini coefficient threshold.
(D) A continuous decline in the purchasing power of the population due to hyperinflation.

2. The concept of "Relative Poverty" is most effectively measured using which of the following economic tools?
(A) Headcount Ratio
(B) Poverty Gap Index
(C) Multidimensional Poverty Index
(D) Lorenz Curve and Gini Coefficient

3. According to the Tendulkar Committee methodology (2009), which significant change was introduced in the estimation of the poverty line?
(A) It moved away from calorie-anchored norms and included expenditure on health and education in the consumption basket.
(B) It shifted the basis of poverty estimation exclusively back to minimum calorie intake norms.
(C) It recommended completely different consumption items for rural and urban baskets.
(D) It utilized the Uniform Reference Period (URP) exclusively for all consumption items.

4. The Rangarajan Committee (2014) revised the poverty estimation methodology. What was the revised monthly per capita consumption expenditure (MPCE) poverty line for rural and urban areas respectively for the year 2011-12?
(A) Rs. 816 for rural and Rs. 1000 for urban
(B) Rs. 972 for rural and Rs. 1407 for urban
(C) Rs. 1050 for rural and Rs. 1250 for urban
(D) Rs. 1200 for rural and Rs. 1500 for urban

5. The Global Multidimensional Poverty Index (MPI) measures acute multidimensional poverty based on three key dimensions. Which of the following is NOT one of these dimensions?
(A) Financial Inclusion
(B) Health
(C) Education
(D) Standard of Living

6. In the context of rural poverty in India, which of the following is considered the most critical structural cause?
(A) High concentration of modern manufacturing industries across rural regions
(B) Excessive formal credit availability leading to widespread deliberate default
(C) Over-reliance on export-oriented cash crops across all agricultural states
(D) Unequal distribution of agricultural land and productive assets

7. Consider the following statements regarding the concept of the Vicious Cycle of Poverty:
I. It was popularized by economist Ragnar Nurkse.
II. On the supply side, low income leads to low savings, which results in low investment and subsequent low capital formation.
III. On the demand side, high population growth directly increases the purchasing power, breaking the poverty trap.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

8. Urban poverty in India is largely characterized by which of the following phenomena?
(A) Widespread agricultural distress impacting the living conditions of urban residents
(B) Complete unavailability of formal public education institutions across major tier-1

1. Measured by assessing income inequalities within a population (e.g., Lorenz Curve)
2. Measured against a fixed minimum consumption or income threshold
3. Experiencing poverty temporarily, often due to economic shocks or seasonality
4. Persistently remaining in a state of deprivation over an extended period

Select the correct code:
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-1, R-3, S-4
(D) P-1, Q-2, R-4, S-3

23. In analyzing the poverty-education linkage, how does poverty primarily act as a barrier to educational attainment in rural areas?
(A) It legally bars children from low-income rural households from gaining enrollment into public primary schools under constitutional statutes.
(B) It raises the opportunity cost of education, driving poor children into child labor or chores.
(C) It compels impoverished families to prioritize expensive tertiary and higher education while neglecting basic foundational schooling.
(D) Poor families universally choose private fee-paying institutions, automatically losing eligibility for state welfare and education grants.

24. Consider the following states in India:
I. Bihar
II. Kerala
III. Rajasthan
IV. Uttar Pradesh

Which of the following represents the correct sequence when arranging these states in decreasing order of their multidimensional poverty headcount ratio based on National Multidimensional Poverty Index data?
(A) I, IV, III, II
(B) IV, I, III, II
(C) I, III, IV, II
(D) III, I, IV, II

25. Ongoing debates around poverty measurement reform in India frequently critique the older, purely calorie-based approach. What is the primary criticism of this approach?
(A) It systematically overestimates household expenditure on vital non-food services such as formal education and medical healthcare.
(B) It relies exclusively on rural household spending behaviors to formulate monetary poverty lines for urban metropolitan zones.
(C) It artificially sets the baseline threshold excessively high, incorrectly categorizing vast majorities of middle-income households as poor.
(D) It ignores essential non-food needs and regional differences in living costs.

26. Which of the following is considered a negative macroeconomic consequence of low capital formation in a developing economy like India?
(A) It suppresses technological progress and limits new employment generation.
(B) It directly causes a rapid and permanent reduction in national demographic growth rates across all social sectors.
(C) It generates a major economic surplus resulting in an overabundance of modern physical infrastructure.
(D) It triggers an immediate, substantial, and continuous rise in the real wages paid to unskilled industrial workers.

27. Consider the following statements regarding poverty concepts:
I. A person is considered to be living in extreme poverty globally if they live on less than $2.15 a day (World Bank standard).
II. Relative poverty is prevalent only in developing nations and does not exist in developed economies.
III. The Headcount Ratio measures the proportion of a population that exists below the poverty line.

Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

28. The concept of the "Churning Poor" falls under which broader category of poverty?
(A) Chronic Poverty
(B) Transient Poverty
(C) Absolute Poverty
(D) Extreme Poverty

29. What was the defining characteristic of the Mixed Reference Period (MRP) adopted by the Tendulkar Committee?
(A) It used a 365-day recall for five non-food items and 30-day recall for the rest.

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Force, Lakdawala Committee, Rangarajan Committee

15. Regional disparities in poverty within Rajasthan are well-documented. Which region typically exhibits higher incidences of chronic poverty due to hilly terrain, small landholdings, and historical marginalization?
(A) The Eastern Plains structural belt (e.g., Jaipur, Bharatpur)
(B) The Western Arid Desert region (e.g., Jaisalmer, Bikaner)
(C) The Hadoti Plateau agricultural region (e.g., Kota, Bundi)
(D) The Southern Tribal Belt (e.g., Banswara, Dungarpur)

16. Data regarding poverty among different social groups in Rajasthan shows distinct disparities. Historically, which social group has exhibited the highest Poverty Headcount Ratio (HCR)?
(A) General Category
(B) Other Backward Classes (OBC)
(C) Scheduled Tribes (ST)
(D) Scheduled Castes (SC)

17. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Poverty and malnutrition share a cyclical, mutually reinforcing relationship.
Reason (R): Poverty restricts access to adequate nutrition, which in turn leads to poor health and cognitive deficits, reducing future earning potential.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

18. According to the estimates based on the Tendulkar Committee methodology for 2011-12, what was the approximate poverty ratio in Rajasthan?
(A) 21.9 percent
(B) 29.5 percent
(C) 8.3 percent
(D) 14.7 percent

19. Comparing Rajasthan's poverty trends with the national average (based on 2011-12 Tendulkar methodology data), which of the following statements is historically accurate?
(A) Rajasthan's poverty ratio was lower than the national average.
(B) Rajasthan's poverty ratio was significantly higher than the national average.
(C) Rajasthan and the national average poverty ratios were exactly equal.
(D) Rajasthan had the highest poverty ratio among all Indian states.

20. The concept of the "Feminization of Poverty" suggests that:
(A) Women are increasingly integrated into formal labor markets, directly leading to sustained reductions in household poverty rates.
(B) Standard national poverty metrics intentionally manipulate consumption data to underreport hardship in female-headed households.
(C) Women face disproportionately higher rates and severity of poverty due to structural inequalities.
(D) Public welfare policies and anti-poverty interventions are designed exclusively to benefit women while systematically excluding men.

21. Which of the following is an example of transient poverty?
(A) A small farmer falling below the poverty line during drought but recovering in a good monsoon.
(B) A landless agricultural laborer whose family remains trapped in chronic intergenerational debt bondage across three generations.
(C) Members of an isolated rural community inhabiting hilly terrain without legal land rights or productive capital assets.
(D) An urban slum resident living with permanent physical disabilities that permanently preclude participation in gainful work.

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22. Match the terms in List I with their corresponding descriptions in List II:
List I: (Poverty Concept)
P. Absolute Poverty
Q. Relative Poverty
R. Chronic Poverty
S. Transient Poverty
List II: (Description)

36. (D) Inland Container Depots (ICDs) and Freight Corridors
To mitigate the logistical disadvantages inherent to a landlocked state, exporters rely on Inland Container Depots and dedicated Freight Corridors. These dry port facilities allow exporters to complete customs clearance, cargo containerization, and documentation inland, enabling seamless intermodal rail and road transit directly to major western maritime seaports such as Mundra and Kandla for export shipment.

37. (B) They help adapt traditional craft skills to suit modern global consumer tastes.
Design intervention initiatives assist traditional craft sectors by introducing contemporary aesthetics, ergonomic utility, and modern color schemes without destroying authentic artisanal heritage. Designers work alongside rural master craftsmen to adapt age-old skills, creating functional products that align with evolving international consumer preferences, modern home decor trends, and functional utility standards required in foreign markets.

38. (C) Moradabad - Brassware
Jaipur is renowned for gems and jewellery, Jodhpur for handcrafted wooden furniture, and Bhilwara for synthetic suiting fabrics within Rajasthan. Moradabad, famously known for brassware exports, is located in the state of Uttar Pradesh rather than Rajasthan. Therefore, Moradabad represents the single non-Rajasthani craft cluster among the listed choices.

39. (A) Both Statement I and Statement II are correct.
Counterfeit machine-printed textiles marketed falsely under traditional regional names like Sanganeri deceive buyers and severely erode the income of genuine block-print artisans. The Geographical Indication registry provides robust legal mechanisms to penalize unauthorized commercial usage of protected regional names, safeguarding traditional craft heritage, preserving market value, and ensuring consumer trust in authentic products.

40. (A) 4, 2, 3, 1
Executing an international e-commerce export order begins with digital cataloguing and high-quality product photography of handcrafted items. Next, the artisan lists these products on global consumer marketplace platforms. Upon receiving customer orders and verified international payments through secure payment gateways, the product is packaged and dispatched via authorized international courier or postal logistics networks.

41. (B) The international construction and architectural sector
Processed marble slabs, tiles, and carved dimensional stone products exported from Rajasthan primarily serve the international construction, real estate, and architectural design sectors. High-grade polished marble from clusters like Kishangarh and Makrana is globally sought after for luxury residential flooring, commercial building facades, interior wall cladding, and high-end structural ornamental installations worldwide.

42. (B) Its use as a primary fuel source for nuclear reactors
Guar gum derived from guar seeds is globally valued for its exceptional thickening, stabilizing, and gelling properties across diverse industries. It is widely applied in food processing, cosmetic formulation, and hydraulic fracturing in oil field operations. It has no physical or chemical application as a nuclear reactor fuel source, making that statement factually invalid.

43. (A) Handcrafted wooden furniture and iron artifacts
The Jodhpur industrial and handicraft cluster is globally celebrated for manufacturing and exporting handcrafted solid wood furniture, wrought iron artifacts, and rustic home decor items. Utilizing Sheesham and Mango wood, local craft enterprises create carved furnishings, vintage reproductions, and artistic metal combinations that command substantial market share across North American and European decor markets.

44. (C) Square checkered 'khats' created by varied yarn grid patterns.
Kota Doria fabric is celebrated in international ethnic fashion markets for its extremely lightweight, transparent texture and unique visual appearance. This distinctive characteristic is created by weaving cotton and silk yarns in a specific grid structure that forms small square patterns known locally as khats, providing the

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(B) It applied a uniform 30-day recall measurement period across all daily food expenditures and non-food consumer commodities.
(C) It implemented a shortened 7-day recall period exclusively for perishable food products including edible oils, meat, and fresh vegetables.
(D) It applied a 365-day recall framework for essential food items while assigning a 30-day recall period for household durable goods.

30. In the context of intergenerational transmission of poverty, which of the following best defines the mechanism at play?
(A) The legal and seamless transfer of accumulated private financial assets and real estate wealth from parent generations to offspring.
(B) Institutional policy frameworks that impose heavy taxation on inherited estates, systematically diminishing multi-generational wealth holdings.
(C) The cycle where deprived parents raise human-capital-deficient children, perpetuating poverty.
(D) The conscious individual choice of younger rural cohorts to abandon ancestral farming occupations to seek informal work in urban slums.

31. Which of the following best describes the core limitation of the Headcount Ratio (HCR) as a measure of poverty?
(A) It evaluates relative economic disparities exclusively while completely ignoring foundational measures of absolute poverty.
(B) It necessitates highly intricate mathematical modeling that cannot be computed using standard national household expenditure surveys.
(C) It is restricted by statutory regulations to be applied solely to rural agricultural demographics within the Indian economic context.
(D) It fails to capture the depth or severity of poverty among those below the line.

32. Consider the following statements about the Rangarajan Committee (2014):
I. It computed poverty lines based on the nutritional requirement of 2155 kcal in rural areas and 2090 kcal in urban areas.
II. It included normative requirements for adequate nourishment, clothing, house rent, and mobility.
III. It estimated the all-India poverty ratio to be 29.5% for 2011-12.
IV. Its monetary poverty line recommendations were universally lower than the Tendulkar Committee's estimates.
Which of the above statements are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

33. What is the role of informal employment in contributing to urban poverty?
(A) Informal work provides exceptionally lucrative monetary wages coupled with substandard working environments, anchoring labor geographically.
(B) Informal workers lack job security, social protection, and minimum wages, heightening vulnerability.
(C) The informal economy demands highly technical and specialized skill sets, systematically excluding uneducated low-income job seekers.
(D) Informal sector enterprises are subjected to disproportionately high corporate taxes, drastically reducing net earnings for informal laborers.

34. Rajasthan faces unique aridity-specific causes of poverty. Which natural phenomenon drastically impacts the livelihood of livestock rearers in western Rajasthan?
(A) Devastating seasonal flash floods across the Luni basin completely submerging community pastures.
(B) Frequent seismic activities along Aravalli fault lines permanently obstructing traditional livestock routes.
(C) Unusually severe winter snowfall across arid plains freezing natural vegetation and animal grazing grounds.
(D) Recurrent droughts causing acute fodder and water shortages.

35. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Multidimensional Poverty Index (MPI) provides a more comprehensive picture of deprivation than income-based poverty lines.

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Reason (R): MPI evaluates overlapping deprivations at the household level across health, education, and standard of living, rather than relying solely on purchasing power.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

36. When comparing regional disparities in Rajasthan, why do the districts of western Rajasthan often show high vulnerability to transient poverty?
(A) A massive concentration of capital-intensive heavy manufacturing plants causing frequent cyclical labor lay-offs.
(B) An absolute absence of public and private financial institutions across all western desert administration districts.
(C) Heavy reliance on rain-fed farming and livestock in an unpredictable desert climate.
(D) Abnormally dense demographic concentration exerting severe structural pressure on municipal utility infrastructure.

37. The phenomenon where poverty causes individuals to discount future benefits (like completing formal education) in favor of immediate survival (like child labor) is a direct consequence of:
(A) High opportunity cost of present subsistence.
(B) Deep-seated structural deficiencies in national manufacturing industries.
(C) The statistical distribution effect represented by the Gini index.
(D) Enforced legislative statutes prescribing mandatory government labor quotas.

38. "A state of poverty that results from large-scale foundational changes in the economy, such as technological shifts, unequal asset distribution, or the decline of traditional industries." This statement defines:
(A) Seasonal Poverty
(B) Frictional Poverty
(C) Relative Poverty
(D) Structural Poverty

39. Which indicator is NOT part of the 'Standard of Living' dimension in the Global Multidimensional Poverty Index (MPI)?
(A) Cooking fuel
(B) Child Mortality
(C) Sanitation
(D) Electricity

40. Which of the following is a key structural cause of poverty in India?
(A) The swift structural movement of rural farm labor into high-productivity formal manufacturing sectors.
(B) Capital-heavy industrial expansion successfully absorbing the vast majority of unskilled urban workers.
(C) Historical land concentration creating a large landless agricultural labor force.
(D) Nationwide institutional implementation of free, high-quality tertiary and technical university education.

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41. In the context of the poverty and unemployment linkage, how does "seasonal unemployment" predominantly manifest in Rajasthan?
(A) Skilled technology professionals experience widespread cyclical retrenchment during winter months.
(B) Service personnel in hospitality face systemic unemployment exclusively throughout peak festive periods.
(C) Industrial factory laborers experience extended facility lockouts driven by monsoon power grid failures.
(D) Farm workers lack employment outside cropping seasons due to insufficient irrigation.

42. Match the Committees on Poverty Estimation in List I with their defining features or recommendations in List II:
List I: (Committee)
P. Y.K. Alagh Task Force
Q. Lakdawala Expert Group
R. Tendulkar Committee
S. Rangarajan Committee
List II: (Feature / Recommendation)
1. Shifted focus from calorie-based norms to a broader consumption basket including health and education
2. Computed poverty lines based on 2100 kcal in urban and 2400 kcal in rural areas
3. Re-introduced a modified calorie norm and included behavioral changes in consumption

4. Suggested the continuation of calorie norms but recommended state-specific poverty lines using CPI-AL and CPI-IW

Select the correct code:
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-4, R-2, S-3

43. The "Poverty Gap Index" is considered a more nuanced measure compared to the "Headcount Ratio" because it:
(A) Simplifies computational requirements for large demographic datasets without needing field surveys.
(B) Measures poverty depth by assessing how far below the line poor households fall.
(C) Calculates the precise total absolute number of individuals subsisting beneath poverty thresholds.
(D) Focuses its analytical evaluation strictly on urban populations in major metropolitan centers.

44. Which of the following best characterizes the demographic profile of the chronic poor in rural Rajasthan?
(A) Wealthy agrarian property owners heavily capitalizing on modern export-oriented commercial cash crops.
(B) Marginalized ST/SC groups, dependent on daily wages with minimal productive assets.
(C) Technical migrant laborers actively employed in modern tech-enabled rural platform economies.
(D) Permanent public sector officials stationed permanently across regional rural administrative headquarters.

45. How does the feminization of poverty typically manifest in the agricultural sector of Rajasthan?
(A) Women do more farm work due to male migration, but lack land rights and credit access.
(B) Statutory legal codes explicitly designate female heads of household as primary agricultural landholders.
(C) Rural women systematically refuse participation in farming, inducing widespread agricultural labor deficits.
(D) Public employment policies mandate higher wage floors for female farm workers relative to male peers.

46. According to the National Multidimensional Poverty Index framework, which of the following is an indicator strictly categorized under the 'Health' dimension?
(A) School Attendance
(B) Drinking Water
(C) Maternal Health
(D) Bank Account Ownership

47. Consider the following statements regarding the poverty-malnutrition linkage:
I. Poverty limits the household's ability to purchase nutrient-dense food.
II. Malnutrition increases susceptibility to diseases, thereby raising healthcare costs and pushing families into debt.
III. Chronic illness due to malnutrition reduces labor productivity, further entrenching poverty.

Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

48. The Tendulkar Committee recommended a uniform all-India poverty line basket (PLB) for both rural and urban areas. How did it account for the different living costs between rural and urban regions?
(A) By disregarding regional cost variations and enforcing a single monetary threshold nationwide.
(B) By imposing rural expenditure baselines across urban municipalities to streamline data processing.
(C) By using spatial price indices to set separate rural and urban monetary lines.
(D) By adopting static foreign exchange conversion ratios to determine urban expenditure baselines.

49. Which of the following macroeconomic policy approaches directly addresses the root cause of the "Vicious Cycle of Poverty" on the supply side?
(A) Artificially enforcing statutory ceilings to suppress household consumer expenditure nationwide.
(B) Promoting savings and credit access to stimulate productive capital investment.
(C) Expanding duty-free importation of high-end foreign luxury goods to incentivize commercial trade.

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same impoverished household.
Reason (R): Intra-household distribution of resources in patriarchal societies frequently prioritizes male members for food and healthcare.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

80. In rural Rajasthan, land degradation and soil salinity are prominent environmental issues. How do these factors relate to the regional poverty cycle?
(A) They stimulate widespread demand for organic agricultural production, significantly boosting farm sector revenues.
(B) They accelerate clean industrial development on uncultivated terrain, permanently raising rural employment levels.
(C) They lower crop yields per hectare, depressing farm incomes and aggravating rural poverty.
(D) They trigger vast surpluses of drought-resistant commercial crops, disrupting international commodity pricing models.

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transition from agriculture to advanced manufacturing.
(C) It shrinks the active farming labor force, precipitating acute national food supply deficits.
(D) It raises dependency ratios and dilutes per capita capital and resource availability.

58. A person who is generally above the poverty line but slips below it during specific periods, such as a severe drought or health emergency, is experiencing:
(A) Transient Poverty
(B) Chronic Poverty
(C) Extreme Poverty
(D) Relative Poverty

59. According to the historical Lakdawala Committee guidelines, how were the state-specific poverty lines updated for price changes in rural areas?
(A) Using the Consumer Price Index for Industrial Workers across sectors.
(B) Using Consumer Price Index for Agricultural Labourers.
(C) Using national Wholesale Price Index baseline movements.
(D) Using aggregate Gross Domestic Product price deflator metrics.

60. Which fundamental economic issue is highlighted by the poverty-education linkage in rural Rajasthan?
(A) High preference for English-medium private education among the rural poor
(B) The trade-off between current subsistence income from child labor and the future returns from schooling
(C) Over-investment in human capital leading to a severe shortage of agricultural labor
(D) The absolute refusal of marginalized communities to utilize free government schools due to cultural reasons

61. Identify the incorrect statement regarding the Tendulkar Committee methodology:
(A) It sharply reduced the poverty headcount ratio compared to Lakdawala estimates.
(B) It permanently severed the historical practice of linking monetary poverty lines to calorie intake norms.
(C) It formally integrated private household spending on essential medical care and schooling into the basket.
(D) It enforced a single standardized poverty line basket across both rural agricultural and urban regions.

62. Match the terms associated with poverty in List I with their real-world examples in List II:
List I: (Poverty Term)
P. Aridity-specific cause
Q. Social disparity
R. Structural cause
S. Transient poverty
List II: (Example)
1. Higher poverty ratios traditionally observed among Scheduled Tribes in the state
2. A farmer falling into debt due to a single year of severe monsoon failure
3. Lack of large-scale manufacturing industries limiting non-farm job creation
4. Repeated crop failures in Barmer due to extreme summer temperatures and low rainfall

Select the correct code:
(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-4, Q-3, R-1, S-2
(D) P-3, Q-1, R-4, S-2

63. Amartya Sen's capability approach to poverty defines it primarily as:
(A) A simple and strict deficiency of monetary income
(B) An unavoidable consequence of rapidly growing capitalist economies
(C) The statistical failure to meet a 2100-calorie daily nutritional threshold
(D) The lack of basic capabilities to function and lead a life one values

64. Consider the following states in India:
I. Bihar
II. Rajasthan
III. Kerala
IV. Odisha
Which of the following represents the correct order when arranging these states from highest to lowest incidence of poverty based on Tendulkar methodology (2011-12)?
(A) I, IV, II, III
(B) I, II, IV, III
(C) IV, I, II, III
(D) I, IV, III, II

65. A major structural cause of urban poverty is the dualistic nature of the urban economy. What does this refer to?

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reside in crowded urban slums characterized by substandard housing, poor sanitation, and inadequate basic utilities.

9. (D) A condition where more workers are engaged than required, yielding zero marginal productivity
Disguised unemployment occurs when an agricultural operation absorbs surplus labor beyond the optimum required for production. In this state, removing a portion of the workforce results in no reduction of overall output, meaning the marginal productivity of extra workers is zero. This structural inefficiency spreads farm income thinly among workers, perpetuating low earnings and rural poverty.

10. (A) It reduces marketable surplus, causing low farm incomes and suppressed agricultural wages.
Low agricultural productivity directly restricts the volume of crops available for commercial sale after meeting subsistence needs. A diminished marketable surplus limits farm income, leaving agriculturalists with minimal capital to reinvest or savings to withstand economic shocks. Additionally, depressed output constrains the overall demand for agricultural labor, driving down real wages for landless farm workers.

11. (B) Low rainfall and extreme heat cause recurrent crop failures and livestock mortality, destabilizing farm incomes.
Severe aridity in Rajasthan creates an environment marked by scarce precipitation and extreme temperatures. These harsh climatic conditions frequently trigger droughts, leading to crop losses and high mortality rates among livestock. Because agricultural and pastoral activities form the primary source of rural livelihoods, these recurrent environmental shocks severely destabilize household incomes and perpetuate rural economic hardship.

12. (B) I, II, and IV
The Lakdawala Committee introduced state-specific poverty lines updated via specialized price indices. The Tendulkar Committee adopted the Mixed Reference Period to capture varied consumption cycles. The Alagh Task Force in 1979 anchored poverty line definitions strictly to daily calorie intake thresholds. The Rangarajan Committee used a modified mixed reference period rather than reverting entirely to the uniform reference period.

13. (A) It restricts non-farm job creation for surplus agricultural labor, maintaining high agricultural dependency.
A constrained industrial base limits the growth of non-farm employment opportunities capable of absorbing excess rural workers. Consequently, a vast proportion of the population remains heavily dependent on rain-fed, low-productivity agriculture. This structural bottleneck prevents labor mobility from low-yield farming into higher-productivity manufacturing activities, entrenching widespread rural underemployment and keeping household earnings below sustainable economic thresholds.

14. (A) Y.K. Alagh Task Force, Lakdawala Committee, Tendulkar Committee, Rangarajan Committee
India's official poverty estimation framework evolved through several expert bodies constituted sequentially. The Y.K. Alagh Task Force was established in 1979, establishing calorie-based thresholds. The D.T. Lakdawala Committee followed in 1989, recommending state-specific adjustments. Later, the Suresh Tendulkar Committee was appointed in 2005 to update the methodology, followed by the C. Rangarajan Committee constituted in 2012.

15. (D) The Southern Tribal Belt (e.g., Banswara, Dungarpur)
The southern region of Rajasthan, comprising districts like Banswara and Dungarpur, experiences heightened poverty due to distinct geographical and socio-economic challenges. Hilly terrain isolates communities, while small and fragmented landholdings constrain agricultural productivity. Furthermore, historical socio-economic marginalization experienced by Indigenous tribal populations limits access to formal credit, modern infrastructure, and diversified economic opportunities.

16. (C) Scheduled Tribes (ST)
Disaggregated socio-economic data in Rajasthan reveals pronounced disparities in poverty incidence across social groups. Historically, Scheduled Tribes display the highest Poverty Headcount Ratio. This elevated vulnerability stems from geographic isolation in remote forest or hilly areas, limited access to productive agricultural land, low literacy rates, and reduced integration into formal employment sectors compared to other social categories.

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surveys.
III. Chronic poverty requires long-term asset-building and educational interventions.
IV. Transient poverty is best addressed through social safety nets and insurance during economic shocks.
Which of the above statements are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, III, and IV

73. What is the primary focus of national poverty measurement reform today?
(A) Re-establishing regional calorie consumption thresholds recommended by the Lakdawala Expert Group.
(B) Implementing the official United States federal poverty baseline framework across all Indian states.
(C) Replacing empirical quantitative poverty measurement with subjective qualitative socio-economic narratives.
(D) Shifting from income-based lines toward multidimensional poverty indices.

74. In the context of national comparisons, which Indian state consistently reports the highest proportion of its population living in multidimensional poverty?
(A) Bihar
(B) Rajasthan
(C) Uttar Pradesh
(D) Madhya Pradesh

75. Based on the Rangarajan Committee report, what methodology was adopted for calculating the food component of the poverty line?
(A) Adopting international World Health Organization nutritional standards across all demographic cohorts uniformly.
(B) Applying ICMR norms for calorie, protein, and fat based on age, sex, and activity levels.
(C) Substituting nutritional calculations with fixed monetary transfers adjusted periodically for price inflation.
(D) Mandating a single nutritional intake requirement of 2400 kcal for all rural and urban populations nationwide.

76. Match the specific poverty-related concepts in List I with their primary economic implications in List II:
List I: (Concept)
P. Disguised Unemployment
Q. Vicious Cycle of Poverty
R. Multidimensional Deprivation
S. Calorie Anchor
List II: (Economic Implication)
1. A self-reinforcing mechanism that prevents capital formation
2. Over-employment in agriculture with zero marginal productivity
3. The historical basis for defining the absolute poverty line in India
4. Evaluates poverty through lack of health, education, and living standards
Select the correct code:
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-1, R-2, S-3

77. Which of the following is NOT a primary cause of low agricultural productivity among marginal farmers in India?
(A) Over-reliance on capital-intensive farm machinery.
(B) Continuous sub-division and fragmentation of inherited landholdings across family generations.
(C) Excessive dependence on volatile, erratic, and unpredictable seasonal monsoon precipitation.
(D) Persistent inability to obtain timely and affordable credit from regulated financial institutions.

78. Which of the following best summarizes the "Structuralist" view on the causes of poverty in developing nations?
(A) Deprivation is attributable entirely to personal labor deficiencies and an absence of individual enterprise.
(B) Poverty represents a transient phenomenon that automatically vanishes upon adopting free-market capitalist frameworks.
(C) Poverty stems from institutional structures driving unequal asset and power distribution.
(D) Hardship results exclusively from severe environmental conditions, operating independently of state economic policies.

79. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Women in poverty often face greater nutritional deprivation than men in the

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(A) The rigid administrative separation of metropolitan areas into commercial and residential districts.
(B) Coexistence of a productive formal sector and a vulnerable informal sector.
(C) The simultaneous operation of central and provincial fiscal tax administrations in municipal centers.
(D) Perfectly equalized asset and income distribution patterns between native citizens and internal migrants.

66. Which physical and economic factor severely restricts industrialization in Rajasthan, thereby contributing to state poverty?
(A) Complete lack of underlying mineral wealth
(B) An overpopulation of highly skilled IT professionals unwilling to do manual labor
(C) Excessive geographic focus on deep-sea fishing
(D) Acute water scarcity and historical infrastructural deficits

67. Consider the following statements about the "Feminization of Poverty":
I. It indicates that a disproportionate percentage of the world's poor are women.
II. It is exacerbated by unequal access to property rights and discriminatory inheritance practices.
III. Unpaid domestic and care work heavily restricts women's participation in income-generating activities.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

68. Why is the "trickle-down" effect often considered insufficient to eliminate structural poverty in developing regions like Rajasthan?
(A) Because national macroeconomic growth systematically and rapidly prioritizes the lowest income strata first.
(B) Because fiscal tax structures impose higher effective marginal tax burdens on low-income demographics.
(C) Growth in modern sectors fails to reach marginalized groups lacking health, education, and assets.
(D) Because structural economic deprivations occur exclusively in state-planned socialist systems, not market models.

69. In measuring absolute poverty, what does the "Poverty Line Basket" (PLB) essentially represent?
(A) A basket of essential goods and services required for basic survival.
(B) The statutory ceiling on personal consumption expenditure for determining entitlement to state welfare benefits.
(C) Aggregate agricultural crop yields necessary to sustain an average rural household over a complete calendar year.
(D) A standardized collection of manufactured commodities exported by underdeveloped administrative districts.

70. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The relative poverty rate can increase even if absolute poverty in a country is decreasing.
Reason (R): Economic growth may lift the lowest earners above the basic survival threshold while simultaneously widening the income gap between the rich and the poor.
In light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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71. Which mechanism most directly links unemployment to urban poverty?
(A) Unemployed labor forces initiate broad economic price deflation, lowering overall living costs for residents.
(B) Job scarcity forces workers into casual daily labor, yielding low, irregular income.
(C) Joblessness expands municipal low-cost housing stock directly by increasing available urban land for slums.
(D) Unemployed individuals automatically obtain government income support that neutralizes economic hardship.

72. Consider the following statements regarding chronic vs transient poverty:
I. Chronic poverty is often intergenerational in nature.
II. Transient poverty is easily and permanently captured by point-in-time cross-sectional

ANSWERS

1. (B) A condition where a person lacks the minimum income necessary to meet basic living standards such as food, shelter, and clothing.
Absolute poverty describes a fixed economic condition characterized by the inability to secure fundamental human needs, including adequate nutrition, safe housing, clean drinking water, and essential clothing. Unlike relative measures that evaluate income distribution gaps within a society, this metric establishes a baseline requirement for physical survival that remains constant across different economic contexts over time.

2. (D) Lorenz Curve and Gini Coefficient
Relative poverty evaluates economic inequality by comparing an individual or household's income level against the broader distribution within a specific society. The Lorenz curve provides a graphical representation of cumulative income distribution, while the Gini coefficient quantifies this dispersion numerically. Together, these analytical tools effectively identify relative economic deprivation and structural income disparities across populations.

3. (A) It moved away from calorie-anchored norms and included expenditure on health and education in the consumption basket.
The Suresh Tendulkar Committee overhauled traditional methodology by decoupling poverty estimation from rigid physical calorie thresholds. Instead, it introduced a broader consumption basket that explicitly incorporated essential private expenditure on health and education alongside food requirements. This modification provided a more comprehensive assessment of modern living expenses and structural deprivation across both rural and urban areas.

4. (B) Rs. 972 for rural and Rs. 1407 for urban
The C. Rangarajan Committee re-examined the national poverty estimation framework and submitted its report in 2014. For the reference year 2011-12, the panel established a monthly per capita consumption expenditure threshold of 972 rupees for rural regions and 1407 rupees for urban areas. These revised figures reflected updated nutritional requirements and essential non-food household expenses.

5. (A) Financial Inclusion
The Global Multidimensional Poverty Index, developed by the Oxford Poverty and Human Development Initiative alongside the United Nations Development Programme, assesses acute poverty across three core dimensions: health, education, and standard of living. These dimensions encompass ten specific indicators evaluating basic deprivations. Financial inclusion, while important for development policy, is not a constituent dimension of this framework.

6. (D) Unequal distribution of agricultural land and productive assets
Rural poverty in India stems predominantly from deep-rooted structural inequalities in asset ownership, particularly land holdings. High concentration of agrarian property leaves a massive portion of the rural populace landless or dependent on marginal farms. Without sufficient productive assets, smallholders and casual farm laborers remain vulnerable to low earnings, seasonal unemployment, and persistent economic insecurity.

7. (A) I and II only
Economist Ragnar Nurkse formulated the vicious cycle of poverty framework, illustrating how circular mechanisms maintain low economic development. On the supply side, low real income limits savings, restricting capital formation and productivity. Conversely, on the demand side, low income depresses purchasing power and investment incentives. High population growth exacerbates this trap rather than expanding effective purchasing capacity.

8. (C) Proliferation of urban slums and heavy reliance on informal sector employment
Urban poverty in India manifests primarily through informal settlements and low-quality employment. Unskilled rural migrants entering cities often find work limited to the informal sector, which lacks minimum wage guarantees, job security, and formal social safety nets. This economic vulnerability compels families to

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(D) Deregulating informal labor markets to remove statutory wage and working condition requirements.

50. Data provided by national health and family surveys in India is heavily utilized primarily for:
(A) Generating highly precise statistical estimates of state-level Gross Domestic Product metrics.
(B) Measuring gross aggregate national income and per capita expenditure across demographic sectors.
(C) Determining the total absolute count of unemployed tertiary education graduates in rural districts.
(D) Deriving key indicators to compute the National Multidimensional Poverty Index.

51. Which of the following is NOT typically classified as a major cause of urban poverty in India?
(A) Severe fragmentation of agricultural landholdings
(B) Inadequate housing and sanitation infrastructure
(C) High rate of rural-to-urban migration by unskilled labor
(D) Lack of regular, formal employment opportunities in cities

52. Consider the following indicators used in poverty and development metrics:
I. Years of Schooling
II. Maternal Mortality Rate
III. Nutrition
IV. Assets
Which of the above indicators are explicitly included in the computation of the Global Multidimensional Poverty Index?
(A) I, III, and IV
(B) I, II, and III
(C) II, III, and IV
(D) I, II, III, and IV

53. How do regional disparities influence poverty alleviation efforts in a diverse state like Rajasthan?
(A) Rajasthan requires targeted area plans to address distinct regional poverty drivers.
(B) Standardization of development policy works effectively nationwide due to homogenous socio-geographic conditions.
(C) Socio-economic hardship is confined to eastern zones, enabling state planning to exclude western regions.
(D) Spatial economic inequalities have been fully eliminated, rendering specialized regional schemes unnecessary.

54. Which of the following sequences represents the correct logical progression of the Vicious Cycle of Poverty on the demand side?
(A) Low Productivity → Low Income → Low Demand (Purchasing Power) → Low Investment
(B) Low Investment → Low Productivity → Low Demand (Purchasing Power) → Low Income
(C) Low Income → Low Investment → Low Productivity → Low Demand (Purchasing Power)
(D) Low Demand (Purchasing Power) → Low Productivity → Low Investment → Low Income

55. Analyzing the historical trends over recent decades, the proportion of the population living below the poverty line in Rajasthan has:
(A) Exhibited persistent year-on-year increases across every administrative district.
(B) Generally declined, while absolute numbers of poor remain significant.
(C) Remained completely static following macro-structural economic reforms in the 1990s.
(D) Dropped to absolute zero according to official baseline reports.

56. What does the term "Out-of-Pocket Expenditure (OOPE)" mean in the context of poverty-health linkages?
(A) Capital allocations committed by public health authorities to build medical care infrastructure.
(B) Operational funds disbursed by non-profit organizations to deliver free clinical drugs in tribal zones.
(C) Direct payments to healthcare providers at point of service, often pushing families into debt.
(D) Net financial savings realized by families participating in subsidized state medical insurance schemes.

57. Rapid population growth acts as a major structural cause of poverty in India primarily because:
(A) It leads to an immediate and sharp drop in market demand for consumer staples and services.
(B) It triggers a seamless economic structural

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17. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Poverty and malnutrition operate in a continuous closed loop of mutual reinforcement. Financial constraints restrict a household's capacity to purchase adequate food, resulting in nutritional deficits. In turn, poor nutrition impairs physical health and cognitive growth, reducing educational attainment and labor capacity. This diminished economic productivity limits future earnings, keeping households entrenched in poverty.

18. (D) 14.7 percent
Applying the methodology recommended by the Suresh Tendulkar Committee for the reference period 2011-12, Rajasthan recorded a poverty headcount ratio of approximately 14.7 percent. This estimation incorporated updated consumption expenditure metrics covering non-food essentials alongside basic nutritional requirements, reflecting a significant decline from previously recorded poverty levels in the state during preceding decades.

19. (A) Rajasthan's poverty ratio was lower than the national average.
Official poverty estimates based on the Tendulkar Committee methodology for 2011-12 indicated that Rajasthan achieved a poverty ratio of 14.7 percent. This figure was lower than the national average poverty headcount ratio of 21.9 percent for the same period. Substantial poverty reduction in the state was driven by agricultural growth, welfare schemes, and expanding rural employment.

20. (C) Women face disproportionately higher rates and severity of poverty due to structural inequalities.
The feminization of poverty denotes a trend where women bear a disproportionate burden of economic hardship. Structural factors including wage discrimination, unequal access to land and credit, limited educational opportunities, and disproportionate responsibility for unpaid domestic labor constrain female economic independence. Consequently, female-headed households frequently experience higher vulnerability and greater depth of economic deprivation.

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21. (A) A small farmer falling below the poverty line during drought but recovering in a good monsoon.
Transient poverty describes a non-permanent economic condition where individuals move in and out of poverty due to short-term shocks or seasonal fluctuations. A farmer experiencing income loss during a drought falls temporarily below the threshold but recovers when agricultural production normalizes under favorable monsoon conditions. This temporary vulnerability contrasts with chronic, persistent poverty.

22. (B) P-2, Q-1, R-4, S-3
Absolute poverty assesses living standards against a fixed monetary or nutritional threshold. Relative poverty evaluates economic position relative to societal income distributions using tools like the Lorenz curve. Chronic poverty involves remaining continuously below the baseline over extended periods. Transient poverty characterizes temporary dips into economic deprivation caused by short-term income volatility or seasonal shocks.

23. (B) It raises the opportunity cost of education, driving poor children into child labor or chores.
In impoverished rural households, immediate survival needs necessitate maximizing family labor or domestic support. Sending a child to school entails an opportunity cost, as it removes potential income from work or assistance with domestic chores and sibling care. Consequently, poor families are often forced to sacrifice long-term human capital formation to address present subsistence requirements.

24. (A) I, IV, III, II
According to National Multidimensional Poverty Index rankings, states display varying levels of multidimensional deprivation. Bihar records the highest proportion of multidimensionally poor population among Indian states, followed by Uttar Pradesh and Rajasthan. In contrast, Kerala maintains the lowest headcount ratio of multidimensional poverty due to sustained investments in health, education, and social protection services.

25. (D) It ignores essential non-food needs and regional differences in living costs.
Purely calorie-anchored poverty measurement models face significant criticism for reducing

The Rangarajan Committee re-incorporated modified nutritional norms along with behavioral consumption patterns.

43. (B) Measures poverty depth by assessing how far below the line poor households fall.
While the headcount ratio merely counts the proportion of population beneath a poverty line, the Poverty Gap Index measures the depth of poverty. It calculates the mean shortfall of poor households from the poverty threshold as a proportion of that threshold, providing crucial insights into how poor the impoverished population actually is.

44. (B) Marginalized ST/SC groups, dependent on daily wages with minimal productive assets.
Chronic poverty in rural Rajasthan affects marginalized social groups, particularly Scheduled Castes and Scheduled Tribes. These households face severe asset deprivation, lacking land and financial reserves. Dependent primarily on low-paying daily agricultural or casual wage labor, they experience persistent, multi-generational economic vulnerability and remain trapped below poverty thresholds over long durations.

45. (A) Women do more farm work due to male migration, but lack land rights and credit access.
Out-migration of men from rural Rajasthan seeking urban employment has led to an increased reliance on female labor in farm operations. Despite managing daily agricultural work, rural women rarely hold formal land titles or legal property rights. This institutional barrier limits their access to institutional credit, state subsidies, and agricultural technology, reinforcing gendered economic vulnerability.

46. (C) Maternal Health
Under the National Multidimensional Poverty Index framework aligned with global methodologies, the Health dimension comprises specific health indicators. Maternal health, alongside nutrition and child mortality, is evaluated under this dimension. Indicators like school attendance belong to Education, whereas drinking water and bank account ownership fall under the Standard of Living dimension.

47. (D) I, II and III
Poverty restricts household purchasing capacity, limiting access to nutritious food. Inadequate nutrition increases vulnerability to physical illness, forcing families to incur high out-of-pocket medical costs that often lead to debt. Furthermore, persistent health impairment lowers worker productivity and earning capacity, maintaining a vicious cycle between poor health, low income, and poverty.

48. (C) By using spatial price indices to set separate rural and urban monetary lines.
The Suresh Tendulkar Committee introduced a uniform national Poverty Line Basket across both rural and urban populations to evaluate consumption. To reflect differences in living costs between rural and urban regions, the panel utilized spatial price indices. This approach derived region-specific monetary poverty thresholds while maintaining a consistent underlying real consumption standard nationwide.

49. (B) Promoting savings and credit access to stimulate productive capital investment.
On the supply side, the vicious cycle of poverty operates through low income leading to low savings, insufficient investment, and depressed capital accumulation. Policies that promote household savings and facilitate affordable credit access enable capital investment in productive assets and technology. This capital accumulation enhances labor productivity, boosting output and breaking the supply-side poverty trap.

50. (D) Deriving key indicators to compute the National Multidimensional Poverty Index.
National Family Health Surveys provide extensive household-level data regarding health status, nutritional indicators, educational attainment, housing conditions, and asset ownership. This comprehensive micro-data serves as the primary empirical foundation for computing the National Multidimensional Poverty Index, enabling accurate evaluation of non-monetary deprivations across populations and regions.

51. (A) Severe fragmentation of agricultural landholdings
Urban poverty stems from factors inherent to municipal areas, such as inadequate housing infrastructure, proliferation of informal slums, limited formal employment opportunities, and influxes of unskilled rural migrants. Fragmented agricultural landholdings directly affect rural farm productivity, representing a primary cause

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34. (D) Recurrent droughts causing acute fodder and water shortages.
In the arid terrain of western Rajasthan, pastoralism forms a vital rural livelihood alongside rain-fed agriculture. Recurrent droughts lead to severe depletion of natural vegetation and drying of water bodies, causing acute shortages of fodder and drinking water. This environmental stress triggers livestock deaths and distress migration, significantly reducing household income and aggravating regional poverty.

35. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Multidimensional Poverty Index offers a broader evaluation of living conditions than traditional monetary poverty measures. By measuring specific, overlapping household deprivations in health, education, and basic standard of living indicators, it reveals non-monetary poverty drivers. This multi-indicator structural framework directly explains why multidimensional assessment yields a more complete picture of human hardship than expenditure metrics.

36. (C) Heavy reliance on rain-fed farming and livestock in an unpredictable desert climate.
Western Rajasthan features an arid ecosystem characterized by erratic rainfall and harsh climatic conditions. Local populations rely heavily on rain-fed subsistence farming and animal husbandry for survival. When rainfall fails, agricultural production collapses and pastoral yields diminish, causing sharp temporary drops in rural income and exposing vulnerable households to transient, climate-driven poverty episodes.

37. (A) High opportunity cost of present subsistence.
Immediate survival constraints force impoverished households to prioritize current basic needs over future human capital investments. The opportunity cost of foregoing immediate income or domestic labor provided by children is high when families face food insecurity. Consequently, households discount long-term economic returns from schooling in favor of immediate economic contributions, reinforcing structural cycles of low skills and poverty.

38. (D) Structural Poverty
Structural poverty originates from systemic imbalances within the socio-economic framework rather than temporary economic cycles. Factors such as unequal distribution of productive assets, technological displacement of traditional labor, institutional discrimination, and changing industrial dynamics entrench deprivation. Because these causes are embedded in national economic structures, resolving them requires fundamental policy reforms and long-term asset redistribution.

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39. (B) Child Mortality
The Global Multidimensional Poverty Index categorizes ten specific indicators into three equal dimensions. Standard of Living includes six indicators: cooking fuel, sanitation, drinking water, electricity, housing, and assets. Child mortality, along with nutrition, is categorized under the Health dimension rather than the Standard of Living dimension within this official global measurement framework.

40. (C) Historical land concentration creating a large landless agricultural labor force.
Historical land concentration remains a major structural cause of poverty in rural India. Unequal property distribution leaves millions of rural households landless or restricted to marginal holdings. Dependent on low-wage seasonal labor and lacking productive capital assets, these workers struggle to earn sufficient income, perpetuating entrenched economic vulnerability and regional inequality.

41. (D) Farm workers lack employment outside cropping seasons due to insufficient irrigation.
Agricultural production in Rajasthan depends heavily on seasonal rainfall cycles, given the limited extent of perennial irrigation networks. Consequently, crop cultivation remains concentrated during specific monsoon and post-monsoon months. Agricultural laborers experience severe seasonal unemployment during dry months between sowing and harvesting periods, leading to income instability and recurrent financial distress.

42. (A) P-2, Q-4, R-1, S-3
The Alagh Task Force anchored poverty metrics to 2100 rural and 2400 urban calorie benchmarks. The Lakdawala Group introduced state-specific adjustments using CPI-AL and CPI-IW. The Tendulkar Committee expanded the consumption basket to cover health and education without strict calorie anchors.

nutritional deficiencies and health neglect. This systemic social bias directly causes higher female vulnerability to malnutrition within economic hardship contexts.

80. (C) They lower crop yields per hectare, depressing farm incomes and aggravating rural poverty.
Land degradation and rising soil salinity diminish agricultural land fertility in rural Rajasthan, reducing crop yields per hectare. Lower crop productivity depresses farm revenues and limits agricultural wage employment opportunities for rural laborers. Declining land productivity exacerbates economic distress among smallholders, reinforcing the rural poverty cycle.

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of rural poverty rather than a direct feature of urban poverty.

52. (A) I, III, and IV
The Global Multidimensional Poverty Index utilizes ten indicators across three core dimensions. Years of schooling represents Education, nutrition measures Health, and asset ownership evaluates Standard of Living. Maternal mortality rate is a macro-level public health metric, not an individual indicator used in calculating this specific household-level multidimensional index.

53. (A) Rajasthan requires targeted area plans to address distinct regional poverty drivers.
Rajasthan exhibits marked geographical and socio-economic variations, ranging from arid desert zones in the west to tribal hilly belts in the south. Because poverty drivers differ across these regions—such as extreme water scarcity in the desert versus asset inequality in tribal regions—effective poverty alleviation requires tailored, region-specific policy interventions.

54. (A) Low Productivity → Low Income → Low Demand (Purchasing Power) → Low Investment
On the demand side, the vicious cycle of poverty begins with low worker productivity, which generates low income levels. Low household income depresses purchasing capacity and market demand. Reduced demand discourages businesses from investing capital in production expansion. Constrained capital investment subsequently keeps productivity low, perpetuating the economic loop.

55. (B) Generally declined, while absolute numbers of poor remain significant.
Over recent decades, poverty reduction efforts, economic growth, and social protection schemes in Rajasthan have led to a steady decline in the percentage of population living below the poverty line. Despite this reduction in the headcount ratio, the absolute number of impoverished individuals remains significant due to population growth.

56. (C) Direct payments to healthcare providers at point of service, often pushing families into debt.
Out-of-pocket expenditure refers to direct health payments made by patients to medical providers at the time of service, without coverage from insurance or state subsidies. In developing contexts, sudden, high medical expenses exhaust household savings, force asset liquidations, or compel distress borrowing, frequently pushing non-poor families into poverty.

57. (D) It raises dependency ratios and dilutes per capita capital and resource availability.
High population growth exacerbates structural poverty by expanding the non-working dependent population relative to active wage earners. High dependency ratios reduce household savings capacity. At the national level, rapid population growth dilutes per capita availability of capital, public infrastructure, healthcare, and educational facilities, straining state capacity to improve living standards.

58. (A) Transient Poverty
Transient poverty refers to temporary states of deprivation experienced by individuals who usually maintain consumption levels above the poverty line. Unforeseen shocks such as extreme weather events, medical emergencies, or sudden economic downturns cause temporary income losses, pushing households below the poverty threshold until recovery occurs.

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59. (B) Using Consumer Price Index for Agricultural Labourers.
The D.T. Lakdawala Committee recommended disaggregating national poverty lines into state-specific thresholds to capture regional price differentials. To adjust rural poverty lines over time for inflation, the framework utilized the Consumer Price Index for Agricultural Labourers, reflecting the specific consumption patterns and price changes faced by rural populations.

60. (B) The trade-off between current subsistence income from child labor and the future returns from schooling
Impoverished families face an economic trade-off between immediate income generated by child labor or domestic support and long-term earnings enabled by formal schooling. When current survival needs are urgent, families prioritize immediate economic contributions, foregoing educational investments. This trade-off limits skill acquisition and traps future generations in low-wage work.

human deprivation strictly to food energy intake. This narrow focus overlooks critical non-food necessities such as healthcare, education, shelter, and transport. Furthermore, calorie thresholds fail to account for regional variations in living costs, changing occupational physical demands, and shifting structural consumption patterns across time.

26. (A) It suppresses technological progress and limits new employment generation.
Capital formation plays a crucial role in enabling economic expansion by building physical infrastructure, machinery, and production technology. Insufficient capital accumulation restricts industrial expansion and slows down technological adoption across productive sectors. As a result, job creation stagnates, overall worker productivity remains depressed, and the economy struggles to absorb new entrants into the formal labor force.

27. (C) I and III only
The World Bank defines global extreme poverty using an absolute threshold, updated to 2.15 international dollars per day at purchasing power parity. The headcount ratio measures the percentage of a population living below an established poverty line. Relative poverty exists across both developing and highly developed economies, as income inequality remains present regardless of economic advancement.

28. (B) Transient Poverty
The churning poor represent a segment of the population that regularly fluctuates across the official poverty line. Individuals in this category experience periodic economic vulnerability, moving above the threshold during favorable economic or agricultural phases and slipping below during seasonal downturns or income shocks. Consequently, this dynamic fits squarely within the broader classification of transient poverty.

29. (A) It used a 365-day recall for five non-food items and 30-day recall for the rest.
The Suresh Tendulkar Committee adopted the Mixed Reference Period methodology to measure household consumption expenditure more accurately. Under this approach, spending on low-frequency non-food categories—including clothing, footwear, durables, education, and institutional medical expenses—was measured using a 365-day recall period. All other general consumption items, including daily food, were captured using a 30-day recall framework.

30. (C) The cycle where deprived parents raise human-capital-deficient children, perpetuating poverty.
Intergenerational transmission of poverty occurs when socio-economic disadvantage passes from parents to offspring. Impoverished households lack sufficient resources to invest in adequate nutrition, quality health care, and formal schooling for their children. Consequently, these children grow up with human capital deficits, restricting their labor market outcomes and perpetuating the cycle of poverty into the next generation.

31. (D) It fails to capture the depth or severity of poverty among those below the line.
The Headcount Ratio measures the percentage of a total population residing below an established poverty baseline. However, its primary analytical limitation lies in treating all individuals below the threshold equally. It does not reflect how far poor households fall beneath the poverty line or capture changes in income distribution among the impoverished population itself.

32. (A) I, II, and III
The C. Rangarajan Committee incorporated refined calorie baselines alongside explicit normative expenditures for clothing, rent, education, and mobility. Based on its methodology, the committee estimated the national poverty ratio at 29.5 percent for 2011-12. Because it applied higher overall monetary thresholds than the Tendulkar Committee, its estimates resulted in a larger recorded poor population.

33. (B) Informal workers lack job security, social protection, and minimum wages, heightening vulnerability.
Informal employment drives urban economic vulnerability because workers operate outside formal legal and labor protections. Absence of binding minimum wage regulations, formal employment contracts, paid leave, and social security leaves laborers vulnerable to economic fluctuations. Irregular wage patterns combined with sudden job loss can instantly push urban informal households into severe financial distress and poverty.

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expansion can raise low earners above survival baselines, reducing absolute poverty. However, if income growth disproportionately benefits higher-income groups, income inequality widens, directly increasing the relative poverty rate.

71. (B) Job scarcity forces workers into casual daily labor, yielding low, irregular income.
In urban areas, formal employment scarcity forces job seekers into informal casual labor or low-productivity self-employment. Casual wage workers face irregular employment opportunities, unpredictable earnings, and absence of social safety nets. This persistent income instability restricts spending on essential goods and services, keeping informal workers and their households in urban poverty.

72. (B) I, III, and IV
Chronic poverty involves long-term deprivation across generations, requiring structural solutions like asset redistribution and education. Transient poverty results from short-term economic shocks, best mitigated by social safety nets and credit access. Cross-sectional point-in-time surveys fail to capture transient poverty accurately, as tracking income fluctuations over time requires longitudinal panel survey data.

73. (D) Shifting from income-based lines toward multidimensional poverty indices.
Contemporary policy focus in poverty measurement emphasizes transitioning from single-dimensional income thresholds to multidimensional frameworks. Multidimensional poverty indices capture overlapping human deprivations across health, education, and living standards directly. This shift enables governments to identify structural poverty drivers and design targeted social welfare interventions to improve overall well-being.

74. (A) Bihar
According to official National Multidimensional Poverty Index reports released by NITI Aayog, Bihar records the highest headcount ratio of multidimensional poverty among all Indian states. High proportions of its population experience simultaneous deprivations across health, education, and basic living standard indicators, highlighting deep-rooted structural development challenges across the state.

75. (B) Applying ICMR norms for calorie, protein, and fat based on age, sex, and activity levels.
The C. Rangarajan Committee calculated the food component of the poverty line using nutritional standards recommended by the Indian Council of Medical Research. Rather than relying solely on aggregate calorie targets, the panel incorporated age, gender, and activity-specific requirements for calories, proteins, and fats, reflecting essential physiological needs.

76. (A) P-2, Q-1, R-4, S-3
Disguised unemployment involves agricultural over-employment with zero marginal worker output. The vicious cycle of poverty represents a circular mechanism restricting capital formation. Multidimensional deprivation evaluates poverty across non-monetary health, education, and living standard metrics. Calorie anchoring historically formed the core framework for deriving absolute national poverty thresholds in India.

77. (A) Over-reliance on capital-intensive farm machinery.
Low agricultural productivity among Indian marginal farmers stems from fragmented land holdings, extreme dependence on rain-fed irrigation, and limited access to formal credit markets. Capital-intensive machinery is typically utilized on large commercial holdings. Marginal farmers lack the financial capital to invest in modern machinery, making machinery over-reliance inapplicable to smallholders.

78. (C) Poverty stems from institutional structures driving unequal asset and power distribution.
The structuralist perspective attributes persistent poverty in developing nations to systemic institutional arrangements, unequal land distribution, and market power asymmetries. Rather than viewing poverty as individual failure, structuralism highlights how historical asset concentration, unequal credit access, and institutional barriers impede resource access for low-income populations, perpetuating economic inequality.

79. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Intra-household allocation of resources in patriarchal structures frequently privileges male members in access to food, healthcare, and education. Consequently, women and young girls within impoverished families experience greater

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61. (A) It sharply reduced the poverty headcount ratio compared to Lakdawala estimates.
The Suresh Tendulkar Committee revised poverty estimation methods by adopting a uniform consumption basket and incorporating health and education expenditures. Contrary to lowering numbers, applying this methodology resulted in an increased official poverty headcount ratio compared to earlier Lakdawala estimates, particularly in rural areas, reflecting broader non-food requirements.

62. (A) P-4, Q-1, R-3, S-2
Extreme heat and low rainfall cause aridity-driven crop failures in Barmer. Historically higher poverty headcount ratios among Scheduled Tribes represent social disparity. Limited large-scale manufacturing restricts non-farm employment, acting as a structural cause. A farmer suffering sudden income collapse from a single monsoon failure represents transient, temporary poverty.

63. (D) The lack of basic capabilities to function and lead a life one values
Amartya Sen's capability approach redefines poverty from a simple lack of monetary income to the deprivation of basic capabilities. It emphasizes an individual's freedom to achieve essential functionings, such as being adequately nourished, remaining healthy, obtaining education, and participating in community life, which are essential for leading a fulfilling life.

64. (A) I, IV, II, III
According to 2011-12 official poverty estimates based on the Tendulkar methodology, Bihar recorded the highest incidence of poverty among these states, followed closely by Odisha. Rajasthan registered a lower poverty headcount ratio of 14.7 percent, while Kerala maintained the lowest poverty rate due to strong social development indicators.

65. (B) Coexistence of a productive formal sector and a vulnerable informal sector
Economic dualism in urban environments refers to the side-by-side existence of a highly capitalized, productive formal economy and a large, unregulated informal sector. Workers in the informal sector face low wages, job insecurity, and an absence of statutory social protections, creating persistent economic disparities and urban poverty within modern cities.

66. (D) Acute water scarcity and historical infrastructural deficits
Industrial expansion requires steady availability of water, continuous power supply, and developed transport networks. In Rajasthan, acute water scarcity caused by arid climatic conditions, combined with historical infrastructure deficits, severely increases operational costs for manufacturing enterprises. This physical constraint impedes industrial growth and restricts non-farm job creation across the state.

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67. (D) I, II and III
The feminization of poverty reflects structural disadvantages faced by women globally. Discriminatory property laws and socio-cultural barriers restrict female ownership of productive assets and access to formal credit. Additionally, primary responsibility for unpaid care and domestic labor limits women's capacity to engage in full-time formal employment, driving elevated poverty rates.

68. (C) Growth in modern sectors fails to reach marginalized groups lacking health, education, and assets.
The trickle-down theory assumes aggregate economic growth automatically benefits all societal strata. However, in regions with deep structural inequalities, growth generated in capital-intensive formal sectors fails to filter down to impoverished populations. Lacking foundational education, healthcare, and productive assets, marginalized groups remain unable to participate in or benefit from economic growth.

69. (A) A basket of essential goods and services required for basic survival.
The Poverty Line Basket represents a standardized selection of essential consumer goods and services—including basic food items, clothing, shelter, fuel, education, and healthcare—deemed necessary to maintain a minimum standard of living. The total monetary cost required to purchase this basket determines the official baseline absolute poverty threshold.

70. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Absolute poverty measures the proportion of population unable to afford basic survival necessities, whereas relative poverty evaluates income distribution across society. Economic

CHAPTER 22

Unemployment: Concept, Types and Causes

1. Which of the following best defines the standard economic concept of unemployment?
(A) A situation where individuals choose not to work despite having sufficient qualifications
(B) A condition where the working-age population is engaged entirely in the informal sector
(C) A state where members of the labour force who are willing and able to work cannot find gainful employment
(D) A scenario where workers are employed but receive wages below the legally mandated minimum wage

2. The labour force of a region is calculated by including which of the following groups?
(A) Only those individuals who are currently employed in the formal sector
(B) Individuals who are employed plus those who are unemployed and actively seeking work
(C) The entire population of the region between the ages of 15 and 59
(D) Only those individuals who possess a graduation degree or higher vocational training

3. Consider the following statements regarding seasonal unemployment:
Statement I: It occurs predominantly in the agricultural sector due to the cyclical nature of crop sowing and harvesting.
Statement II: It implies that the marginal physical productivity of the worker is zero throughout the entire calendar year.
Which of the above statement(s) is/are correct?
(A) Both Statement I and Statement II are correct
(B) Both Statement I and Statement II are incorrect
(C) Statement I is correct but Statement II is incorrect
(D) Statement I is incorrect but Statement II is correct

4. Consider the following statements regarding disguised unemployment:
I. It occurs when more people are engaged in a job than are actually required for optimal production.
II. The marginal physical productivity of the surplus labour is essentially zero or negative.
III. In India, it is most predominantly observed in the heavy manufacturing and IT sectors.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Both I and II
(C) Both II and III
(D) I, II, and III

5. Which type of unemployment occurs when a worker leaves one job to search for another better-suited job, representing a transitional phase?
(A) Structural unemployment
(B) Cyclical unemployment
(C) Frictional unemployment
(D) Disguised unemployment

6. Cyclical unemployment is primarily driven by which of the following macroeconomic factors?
(A) A cyclical downturn in the economy causing aggregate demand deficiency
(B) Structural technological advancements replacing manual workers in factories
(C) Seasonal variations in agricultural operations reducing rural labour demand
(D) Persistent geographic immobility of the labour force across state borders

7. Match the types of unemployment in List I with their key characteristics in List II.
List I: (Type of Unemployment)
P. Frictional Unemployment
Q. Structural Unemployment
R. Cyclical Unemployment
S. Seasonal Unemployment

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List II: (Characteristic)

1. Mismatch between available skills and market requirements
2. Joblessness due to transition between jobs
3. Job losses driven by a general economic recession
4. Joblessness during specific months of the agricultural cycle

Which of the following is the correct matching?
(A) P-2, Q-1, R-3, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-2, Q-3, R-1, S-4
(D) P-3, Q-1, R-2, S-4

8. How does open unemployment fundamentally differ from disguised unemployment?
(A) Open unemployment features zero marginal productivity across all sectors, while disguised unemployment features negative productivity
(B) Open unemployment is clearly visible as a person has no work, whereas in disguised unemployment the person appears employed
(C) Open unemployment occurs exclusively within rural agricultural regions, whereas disguised unemployment is strictly an urban phenomenon
(D) Open unemployment is entirely voluntary for educated youth, whereas disguised unemployment is forced by state labour market laws

9. Educated unemployment in Rajasthan is primarily characterized by which of the following scenarios?
(A) A widespread lack of basic primary and secondary education among rural youth leading directly to mass unemployability
(B) Unprecedented market demand for highly educated labour combined with restrictive state labour laws preventing corporate hiring
(C) A surplus of degree-holding youth whose qualifications mismatch industry skill needs
(D) An absolute structural lack of higher educational institutions across districts limiting the total number of graduates produced

10. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The marginal productivity of surplus labour in disguised unemployment is zero.
Reason (R): Removing a portion of the workforce from an agricultural field experiencing disguised unemployment does not reduce total agricultural output.
In the light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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11. Under the Periodic Labour Force Survey (PLFS) methodology, a person is considered employed on the basis of Usual Principal Status (UPS) if they were engaged in an economic activity for a majority of time during which reference period?
(A) The preceding 7 days
(B) The preceding 30 days
(C) The preceding 365 days
(D) The preceding 5 years

12. What is the primary metric captured by the Current Weekly Status (CWS) approach in measuring unemployment?
(A) The activity status of a person over a reference period of the preceding 365 days
(B) The activity status of a person over a reference period of the preceding 7 days
(C) The total lifetime duration of employment held by an individual
(D) The projected employment status of a worker for the upcoming agricultural season

13. Consider the following statements regarding the causes of unemployment in India:
I. Rapid population growth expands the labour force faster than the economy can create jobs.
II. Slow industrial growth leads to an over-reliance on the agricultural sector for employment.
III. The modern education system is perfectly aligned with current industrial skill requirements, minimizing skill mismatches.
IV. Disguised unemployment in agriculture masks the true extent of joblessness.

Which of the above statement(s) is/are correct?
(A) I, II, and IV
(B) II, III, and IV
(C) I, III, and IV
(D) I and II only

14. Which specific demographic bracket is globally and nationally analyzed to determine the "Youth Unemployment Rate"?
(A) 10 to 14 years
(B) 15 to 29 years
(C) 30 to 45 years
(D) 45 to 60 years

15. The phenomenon where population growth acts as a primary cause of unemployment is best explained by which of the following dynamics?
(A) Rapid population growth consistently decreases aggregate consumption demand and household savings across the economy
(B) A growing population directly increases the capital-to-labour ratio across all heavy manufacturing industries
(C) Labour force expansion outpaces job creation in non-farm economic sectors
(D) High population growth leads directly to early mandatory retirement policies in public sector job categories

16. Arrange the following stages in the logical order of a worker experiencing and resolving frictional unemployment:
1. Updating skills and registering on professional job portals.
2. Resigning from current employment to seek better geographic prospects.
3. Accepting a new employment offer and re-entering the active workforce.
4. Attending interviews and negotiating terms over several weeks.

Which of the following is the correct sequence?
(A) 2, 1, 4, 3
(B) 1, 2, 3, 4
(C) 2, 4, 1, 3
(D) 4, 1, 2, 3

17. The informal sector in Rajasthan frequently exhibits characteristics that mask actual unemployment. Which of the following best describes this?
(A) Informal sector jobs consistently offer rigid lifetime employment contracts that completely prevent sudden job loss
(B) Informal micro-enterprises exclusively hire formally trained university graduates, thereby eliminating skill mismatches
(C) Absorption of workers into low-wage jobs reflects underemployment instead of formal employment
(D) The informal sector strictly and comprehensively reports its complete daily employment statistics directly to the PLFS

18. Out-migration of youth from rural Rajasthan to neighbouring industrialized states is primarily categorized as which type of response to unemployment?
(A) A state-mandated demographic redistribution program aimed at balancing urban density
(B) A coping strategy caused by insufficient local non-farm employment
(C) A purely voluntary seasonal movement aimed specifically at acquiring higher agricultural skills
(D) An unexpected outcome of excess local industrial capacity requiring specialized external markets

19. Which of the following represents the correct chronological sequence of the reference periods used for measuring employment status in India, from the longest reference period to the shortest?
(A) Current Daily Status, Current Weekly Status, Usual Principal Status
(B) Usual Principal Status, Current Weekly Status, Current Daily Status
(C) Current Weekly Status, Usual Principal Status, Current Daily Status
(D) Usual Principal Status, Current Daily Status, Current Weekly Status

20. Which of the following presents the greatest risk of structural unemployment in traditional sectors like textiles and manufacturing in the coming decade?
(A) The rapid adoption of automation and artificial intelligence
(B) An increase in minimum agricultural support prices
(C) A sudden decrease in the overall working-age population
(D) The expansion of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

21. Match the employment concepts in List I with their accurate definitions in List II.
List I: (Employment Concept)
P. Labour Force
Q. Work Force
R. Unemployed
S. Out of Labour Force
List II: (Definition)

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ANSWERS

1. (C) A state where members of the labour force who are willing and able to work cannot find gainful employment
Standard economic theory defines unemployment as a state in which individuals who belong to the active labour force, possess the ability to work, and are actively searching for gainful employment at prevailing wage rates are unable to secure suitable jobs. This condition excludes individuals who choose not to work voluntarily or are outside the designated working-age population.

2. (B) Individuals who are employed plus those who are unemployed and actively seeking work
The labour force represents the total supply of labour available for the production of goods and services in an economy. It comprises both employed individuals engaged in productive economic activities and unemployed individuals who are actively seeking work. Persons who are neither working nor seeking work, such as full-time students or retirees, remain excluded from this economic aggregate.

3. (C) Statement I is correct but Statement II is incorrect
Seasonal unemployment occurs predominantly in agriculture because farming depends heavily on natural crop cycles, leading to work shortages between sowing and harvesting seasons. However, workers in seasonal unemployment possess positive productivity during peak agricultural operational periods. Their marginal physical productivity drops to zero or near zero only during off-season periods, rather than remaining zero throughout the entire calendar year.

4. (B) Both I and II
Disguised unemployment describes a situation where more workers are engaged in an activity than necessary for optimal output, making their marginal physical productivity zero or negative. In India, this structural issue is most prevalent in traditional agriculture rather than high-tech manufacturing or information technology sectors, where surplus labour accumulates due to limited non-farm employment alternatives in rural areas.

5. (C) Frictional unemployment
Frictional unemployment occurs when workers temporarily experience joblessness while transitioning from one position to another or searching for better-suited employment opportunities. This form of unemployment is usually voluntary and short-term, reflecting information lags, job search time, and geographic mobility in a dynamic economy. It is generally regarded as a normal structural feature of healthy and flexible labour markets.

6. (A) A cyclical downturn in the economy causing aggregate demand deficiency
Cyclical unemployment stems directly from fluctuations in the broader business cycle, particularly during economic recessions or downturns. When aggregate demand for goods and services falls across the macroeconomic landscape, businesses reduce output and lay off workers to cut costs. This creates widespread involuntary unemployment that persists until economic growth recovers and consumer demand resumes its upward trajectory.

7. (A) P-2, Q-1, R-3, S-4
Different types of unemployment exhibit distinct economic characteristics. Frictional unemployment arises during brief job transitions. Structural unemployment involves fundamental mismatches between available workforce skills and changing employer needs. Cyclical unemployment results from demand downturns during broader economic recessions. Seasonal unemployment occurs during specific off-peak periods within recurring annual production cycles, particularly in agriculture and related seasonal industries.

8. (B) Open unemployment is clearly visible as a person has no work, whereas in disguised unemployment the person appears employed
Open unemployment is easily identifiable because individuals are visibly without work, earn no income, and actively seek employment opportunities. Conversely, disguised unemployment is concealed, as individuals appear to be actively engaged in an economic activity, such as family agriculture, but their

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29. Underemployment differs from unemployment primarily because the underemployed person:
(A) Is actively searching for gainful employment every day but remains completely unable to find any job
(B) Works in a role below their skill level or with insufficient hours
(C) Is completely excluded from the legally designated working-age group due to statutory age limits
(D) Voluntarily chooses not to engage or participate in any productive market-based economic activity

30. Consider the following statements regarding structural unemployment:
I. It is caused by changes in the fundamental structure of the economy.
II. It often requires long-term retraining of the workforce to resolve.
III. Technological shifts and automation are major contributors to this type of unemployment.
IV. It is a short-term phenomenon lasting only a few weeks during job transitions.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

31. The Female Labour Force Participation Rate (LFPR) in Rajasthan often shows significant variation depending on the measurement approach. Which factor heavily influences this discrepancy?
(A) Most working women are engaged in high-tech urban start-ups which official state agencies find difficult to survey
(B) Strict statutory restrictions legally barring rural women from participating in any field-based agricultural labor
(C) Unpaid agricultural family work is often excluded from economic metrics
(D) The total and complete absence of female workforce participation across all sectors of the state's rural economy

32. In the context of skill mismatch, Industrial Training Institutes (ITIs) in Rajasthan face criticism primarily for which of the following reasons?
(A) Producing an excessive number of highly specialized aerospace and aeronautical design engineers
(B) Statutorily forcing all graduating students to migrate exclusively to foreign countries for work
(C) Operating exclusively in foreign languages like English, thereby completely alienating local rural youth
(D) Using outdated curricula and equipment misaligned with industry needs

33. Match the causes of unemployment in List I with their corresponding type of unemployment in List II.
List I: (Cause of Unemployment)
P. Technological advancement rendering old skills obsolete
Q. Overcrowding in the agriculture sector
R. The gap between kharif and rabi cropping seasons
S. The time taken to transition from a university degree to a first job
List II: (Type of Unemployment)
1. Seasonal Unemployment
2. Frictional Unemployment
3. Structural Unemployment
4. Disguised Unemployment
Which of the following is the correct matching?
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-4, R-3, S-2

34. Which of the following best represents a negative consequence or exception to the general causes of slow industrial growth regarding employment?
(A) Severe shortage of private capital investment
(B) Excessive formal job creation
(C) Inadequate and poor infrastructural development
(D) Persistent and stringent regulatory bottlenecks

35. What is the defining characteristic of the "demographic dividend" that risks turning into a "demographic disaster" if unemployment is not addressed?
(A) A rapid, unprecedented increase in the proportion of elderly, economically dependent population
(B) A steep and continuous decline in total fertility rates leading directly to severe manual labour shortages
(C) Widespread, voluntary early retirement programs initiated across the entire skilled

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1. Persons currently engaged in economic activities
2. Persons neither working nor seeking work
3. Persons willing and able to work but without jobs
4. Total of employed and unemployed persons

Which of the following is the correct matching?
(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-3, Q-1, R-4, S-2

22. Agricultural underemployment in India is most closely synonymous with which of the following concepts?
(A) Disguised unemployment
(B) Frictional unemployment
(C) Open unemployment
(D) Cyclical unemployment

23. One of the causes of unemployment in Rajasthan is slow industrial growth. Which of the following is a direct consequence of this slow growth?
(A) A massive, continuous influx of highly skilled industrial labour from neighboring states seeking factory jobs
(B) The total and complete eradication of structural and seasonal unemployment across all rural areas
(C) An immediate, unprecedented surplus generated in state government tax revenues and capital reserves
(D) Inadequate non-farm job creation, raising pressure on agriculture

24. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Skill mismatch is a significant cause of educated unemployment among youth in Rajasthan.
Reason (R): The academic curriculum of many degree courses does not adequately integrate vocational training and current industry requirements.
In the light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

25. Which organization is currently responsible for conducting the Periodic Labour Force Survey (PLFS) in India?
(A) Reserve Bank of India (RBI)
(B) NITI Aayog
(C) National Statistical Office (NSO)
(D) Ministry of Labour and Employment exclusively

26. Historically, Employment Exchanges were established to address unemployment. What has been the primary reason for their declining relevance in recent years?
(A) They successfully and consistently provided permanent government jobs to every single registered candidate
(B) They were officially and permanently banned across all states by a ruling of the Supreme Court of India
(C) Their institutional statutory mandate was restricted exclusively to organizing landless agricultural labour
(D) Transition to private hiring via digital portals and campus recruitment

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27. Consider the following statements regarding the Periodic Labour Force Survey (PLFS):
I. It was launched to provide high-frequency employment data, replacing the earlier quinquennial surveys.
II. It generates estimates of employment and unemployment indicators in both rural and urban areas.
III. It only surveys individuals holding postgraduate degrees or higher.

Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) I, II, and III

28. What does the term "jobless growth" refer to in the context of the Indian economy?
(A) A severe nationwide economic recession directly causing widespread mass layoffs across all key industrial sectors
(B) Economic growth occurring without proportionate job expansion
(C) Unusually high employment rates consistently achieved despite a shrinking national Gross Domestic Product
(D) The complete and absolute decline of the formal sector workforce across all public and private enterprises

the sowing of Kharif crops typically leads to a spike in which type of unemployment?
(A) Seasonal unemployment
(B) Frictional unemployment
(C) Educated unemployment
(D) Cyclical unemployment

44. Frictional unemployment is generally considered to be of what duration in a healthy economy?
(A) Permanent and lifelong
(B) Short-term and temporary
(C) Decadal, lasting at least 10 years
(D) Multigenerational

45. Which of the following options represents the correct sequence of statistical survey methods from the historically oldest (traditional) to the most recently adopted in India for tracking employment?
(A) Periodic Labour Force Survey (PLFS) → NSSO Quinquennial Surveys → Decennial Census
(B) Decennial Census → NSSO Quinquennial Surveys → Periodic Labour Force Survey (PLFS)
(C) NSSO Quinquennial Surveys → Periodic Labour Force Survey (PLFS) → Decennial Census
(D) Periodic Labour Force Survey (PLFS) → Decennial Census → NSSO Quinquennial Surveys

46. If 10 family members are working on a 2-hectare farm in Rajasthan, but only 4 are actually required to maintain the current agricultural yield, the remaining 6 are an example of:
(A) Disguised unemployment
(B) Open unemployment
(C) Structural unemployment
(D) Frictional unemployment

47. A core cause of educated unemployment is the gap between educational curriculum and industry needs. Which of the following terms best describes this specific cause?
(A) Geographic immobility
(B) Demand deficiency
(C) Skill mismatch
(D) Seasonal variability

48. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The informal sector in India effectively masks the true severity of unemployment.
Reason (R): Many individuals unable to find formal jobs engage in low-income, low-productivity informal work merely for survival, appearing statistically 'employed'.
In the light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

49. In the context of government data sources, what was the primary limitation of the traditional NSSO Employment-Unemployment Surveys (EUS) that led to the introduction of the PLFS?
(A) They were conducted far too frequently on a monthly schedule, causing massive data overload
(B) They exclusively surveyed permanent public sector employees while ignoring private enterprise
(C) They occurred quinquennially, lacking real-time data relevance
(D) They failed to cover rural agricultural areas, focusing exclusively on metropolitan cities

50. The registration at an Employment Exchange serves which primary purpose for an unemployed candidate?
(A) It legally guarantees immediate high-salaried placement in a major multinational corporation
(B) It registers candidate status as a job seeker for prospective employment
(C) It serves as an indispensable mandatory statutory requirement for obtaining a state passport
(D) It provides an unconditional permanent lifetime monthly financial allowance directly from state treasuries

51. Match the specific features of the Rajasthan economy in List I with their dominant employment challenge in List II.
List I: (Feature of Economy)
P. Rain-fed agriculture regions
Q. Traditional handicraft sectors facing modern machine competition
R. Expanding youth demographic with generic university degrees

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national workforce
(D) Expansion of working-age population without adequate job creation

36. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Out-migration of youth from Rajasthan to states like Gujarat and Maharashtra is primarily a pull-factor phenomenon driven exclusively by high educational opportunities.
Reason (R): The lack of adequate non-farm employment in rural Rajasthan acts as a strong push factor forcing youth migration.
In the light of the above statements, choose the correct answer from the options given below:
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

37. Unpaid family workers engaged in a family enterprise (such as a farm or small shop) are categorized under the PLFS as:
(A) Fully unemployed open category
(B) Formal sector salaried employees
(C) Self-employed workers
(D) Out of the labour force entirely

38. Identify the incorrect statement regarding the difference between structural and cyclical unemployment.
(A) Structural unemployment resolves automatically when business cycles recover
(B) Structural unemployment fundamentally arises from a long-term structural mismatch of workforce skills
(C) Cyclical unemployment is directly associated with periodic downturns in overall macroeconomic aggregate demand
(D) Cyclical unemployment generally decreases significantly whenever the national economy enters a rapid boom phase

39. Arrange the following broad categories in the logical order used to calculate the open unemployment rate, starting from the broadest demographic base to the specific target group:
1. Total Employed Workforce
2. Unemployed Population actively seeking work
3. Total Population of the region
4. Total Working-Age Population (Labour Force)

Which of the following is the correct sequence of derivation?
(A) $3 \rightarrow 4 \rightarrow 1 \rightarrow 2$
(B) $4 \rightarrow 3 \rightarrow 2 \rightarrow 1$
(C) $3 \rightarrow 1 \rightarrow 4 \rightarrow 2$
(D) $1 \rightarrow 2 \rightarrow 3 \rightarrow 4$

40. According to recent national comparisons based on PLFS data, Rajasthan's unemployment rate, particularly among youth, often tends to be:
(A) The absolute lowest across all states owing to rapid and total industrialization
(B) Higher than national average due to local job creation deficits
(C) Exactly equal to the calculated national average without exhibiting any state-specific variance
(D) Statistically zero, owing entirely to the complete success of rural agricultural self-employment programs

41. Which of the following is NOT a primary cause of structural unemployment?
(A) Shift from a manufacturing to a service-oriented economy
(B) Implementation of highly advanced automation in factories
(C) Temporary dips in consumer spending due to a seasonal holiday
(D) Changes in consumer preferences leading to the decline of traditional industries

42. Consider the following statements regarding the youth unemployment problem in Rajasthan:
I. It heavily impacts graduates and degree holders more than those with only primary education.
II. It is exacerbated by the preference for government jobs and the long preparation time taken by candidates.
III. Private sector absorption is exceptionally high, completely offsetting public sector job scarcity.
Which of the above statement(s) is/are incorrect?
(A) Only I
(B) Only II
(C) Only III
(D) Both I and II

43. In Rajasthan's agricultural landscape, the gap period between the harvesting of Rabi crops and

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59. Which of the following is NOT typically a driver of seasonal migration among agricultural labourers in Rajasthan?
(A) Guaranteed white-collar urban job offers
(B) Persistent failure of seasonal monsoons leading directly to widespread drought conditions
(C) Total lack of viable local non-farm employment opportunities during agricultural off-seasons
(D) Pressing need to supplement low household farm income during non-harvesting seasonal months

60. Voluntary unemployment is a situation where:
(A) Industrial workers are involuntarily laid off en masse due to a macroeconomic recession
(B) People choose not to work at prevailing wages despite job availability
(C) Surplus agricultural workers operate in fields with zero marginal physical productivity
(D) Highly qualified university graduates cannot find jobs matching their exact qualifications

61. Which of the following best defines "involuntary unemployment"?
(A) Qualified workers voluntarily refusing to work because they consider current wage rates too low
(B) People willing to work at prevailing wages who cannot find employment
(C) Skilled workers transitioning freely and voluntarily between multiple high-paying corporate job offers
(D) Full-time students attending university courses instead of actively seeking market employment

62. The core challenge of graduate unemployment in Rajasthan often stems from an oversupply of candidates with generic degrees (like BA/BSc) coupled with:
(A) Severe gaps in soft skills, technical training, and vocational expertise
(B) Excessive state-wide economic over-reliance on highly advanced robotics in rural agriculture
(C) Statutory implementation of mandatory youth military conscription policies across the state
(D) The complete and total structural absence of all public sector government recruitment exams

63. When traditional agricultural practices are mechanized (e.g., using tractors and harvesters instead of manual labour), it initially leads to an increase in which type of unemployment among landless labourers?
(A) Frictional transitional unemployment
(B) Educated youth joblessness
(C) Structural unemployment
(D) Voluntary wage joblessness

64. How does the Decennial Census differ from the PLFS in capturing employment data?
(A) The Census exclusively provides high-frequency quarterly workforce reports, whereas the PLFS releases data strictly once every decade
(B) The Census strictly counts formal public sector government employees, whereas the PLFS exclusively surveys informal private enterprise workers
(C) The Census measures unemployment exclusively within urban municipal regions, whereas the PLFS captures data strictly from rural agricultural villages
(D) Census is a full population enumeration, whereas PLFS is a sample survey for detailed metrics

65. Consider the following statements:
Statement I: The Labour Force includes both those who are employed and those who are unemployed but seeking work.
Statement II: The Workforce includes only those individuals who are actually employed.
Which of the above statement(s) is/are correct?
(A) Both Statement I and Statement II are correct
(B) Both Statement I and Statement II are incorrect
(C) Statement I is correct but Statement II is incorrect
(D) Statement I is incorrect but Statement II is correct

66. If surplus labour from the agricultural sector experiencing disguised unemployment is moved to a newly established local manufacturing industry, what happens to the total agricultural output?
(A) It immediately decreases to catastrophic low levels
(B) It remains virtually unchanged
(C) It drops suddenly and completely to absolute zero

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S. ITI graduates with outdated practical training

List II: (Employment Challenge)

1. Skill mismatch unemployment
2. Structural unemployment
3. Seasonal unemployment
4. Educated open unemployment

Which of the following is the correct matching?

(A) P-3, Q-2, R-4, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-1, R-3, S-4

52. The Periodic Labour Force Survey (PLFS) releases its quarterly bulletin specifically focusing on which demographic segment's employment indicators?

(A) Urban areas only
(B) Only agricultural labourers in rural areas
(C) Retirees over the age of 60 nationally
(D) Children under the age of 14 exclusively

53. An individual who is capable of working but chooses to pursue full-time higher education instead of seeking a job is classified statistically as:

(A) Frictionally unemployed
(B) Structurally unemployed
(C) Out of the labour force
(D) Disguisedly unemployed

54. Consider the following statements regarding informal sector employment:

I. It generally lacks formal contracts and social security benefits.
II. It is characterized by high levels of underemployment.
III. It constitutes a negligible portion of Rajasthan's total workforce.
IV. It absorbs a significant portion of surplus rural labour migrating to urban centres.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

55. Economic structural change typically implies a shift in employment dependency from the primary sector (agriculture) to secondary and tertiary sectors. What is a common short-to-medium term challenge during this transition?

(A) The immediate and total eradication of absolute poverty across all regions
(B) A sudden and complete halt in overall national demographic population growth
(C) A continuous, permanent decrease in real national income and aggregate output
(D) Structural unemployment from skill transition delays

56. If Rajasthan experiences industrial growth that is heavily "capital-intensive" rather than "labour-intensive", what is the most likely outcome regarding employment?

(A) Rapid mass absorption of unskilled rural agricultural labour into modern heavy factories
(B) High economic growth paired with slow job creation
(C) The complete and permanent disappearance of the entire primary agricultural sector
(D) Immediate and comprehensive resolution of all educated youth unemployment across the state

57. Consider the following statements concerning Female Labour Force Participation in India/ Rajasthan:

I. A significant portion of female labour is engaged in unpaid domestic and agricultural work, often excluded from formal employment metrics.
II. Cultural norms and safety concerns can act as barriers to women entering the formal workforce.
III. The female labour force participation rate is consistently higher than the male participation rate across all urban sectors.

Which of the above statement(s) is/are correct?

(A) Both I and II
(B) Both II and III
(C) Only I
(D) I, II, and III

58. Identify the correct pair regarding the dominant type of unemployment and its typical regional concentration.

(A) Disguised Unemployment — Urban formal IT sector
(B) Frictional Unemployment — Traditional subsistence farming
(C) Open Educated Unemployment — Unskilled manual labour force
(D) Seasonal Unemployment — Rural agricultural sector

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76. Technological unemployment, caused by the introduction of labour-saving machinery and artificial intelligence, is generally considered a subset of which broader category?
(A) Frictional unemployment
(B) Structural unemployment
(C) Seasonal unemployment
(D) Disguised unemployment

77. The situation where a large number of applicants compete for a limited number of state government vacancies is indicative of:
(A) High frictional unemployment during routine job transitions across state departments
(B) Surplus educated labour relative to formal job creation
(C) A severe and persistent labour shortage across all major productive sectors of the economy
(D) Abnormally high voluntary unemployment among educated youth refusing existing private offers

78. Which of the following approaches is most suitable to resolve disguised unemployment in the agricultural sector?
(A) Reallocating surplus farm labour to manufacturing and services
(B) Providing massive, uninterrupted state subsidies for encouraging more intensive manual agricultural labour
(C) Statutorily banning the manufacturing, import, and deployment of all modern machinery in farming
(D) Arbitrarily reducing the standard legal working-age population definition down to 40 years

79. Which of the following scenarios best illustrates the concept of "Open Unemployment"?
(A) A subsistence farmer working on a crowded family plot while contributing zero marginal additional output
(B) A senior bank manager smoothly transitioning between two financial institutions over a brief two-week period
(C) A graduate actively seeking employment but receiving no job offers for a year
(D) A manual construction worker remaining entirely without work throughout the annual rainy monsoon season

80. To systematically address the high rate of educated unemployment in Rajasthan, which of the following policy combinations is most appropriate?
(A) Statutorily banning all rural-to-urban migration and strictly enforcing mandatory lifelong agricultural labour on family farms
(B) Rapidly expanding traditional generic humanities degree programs while systematically eliminating all technical vocational training
(C) Exclusively increasing the publishing frequency of the Periodic Labour Force Survey without taking any direct economic interventions
(D) Aligning curricula with industry needs, fostering entrepreneurship, and investing in non-farm sectors

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(D) It immediately doubles owing to reduced field congestion

67. During which phase of the business cycle does cyclical unemployment reach its peak?
(A) Economic Boom
(B) Expansion
(C) Peak/Prosperity
(D) Trough/Recession

68. Consider the following statements regarding the sources of unemployment data in India:
I. The Periodic Labour Force Survey (PLFS) is conducted by the National Statistical Office (NSO).
II. Employment Exchange data provides a comprehensive and entirely accurate count of all unemployed individuals.
III. The Decennial Census classifies the population into main workers, marginal workers, and non-workers.
IV. PLFS introduced the concept of Current Weekly Status for higher frequency urban reporting.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

69. The Current Daily Status (CDS) approach to measuring unemployment considers the activity status of an individual over what time frame?
(A) The preceding 365 days
(B) A projected period of 1 month
(C) Each day of the preceding 7 days
(D) The individual's entire working life

70. A highly qualified female engineer in Rajasthan accepts a part-time job as a primary school tutor due to family constraints and lack of local engineering opportunities. This is best classified as:
(A) Visible underemployment
(B) Cyclical unemployment
(C) Disguised unemployment
(D) Frictional unemployment

71. Government skill development schemes aim to address which specific root cause of unemployment?
(A) Periodic cyclical downturns and demand contractions in the global economy
(B) Severe seasonal variations and unpredictability in annual monsoon rainfall
(C) The persistent geographical friction involved when moving between two industrial cities
(D) Skill mismatches between candidates and industry needs

72. Which of the following is a fundamental characteristic of jobs in the unorganized (informal) sector that exacerbates the vulnerability of the workforce?
(A) Assured minimum wages indexed strictly to inflation
(B) Lack of job security and absence of formal employment contracts
(C) Mandatory provident fund and medical insurance contributions
(D) Highly rigid firing policies making it impossible to lay off workers

73. While defining the working-age population standard for calculating the labour force in India, which age bracket is conventionally considered?
(A) 0 to 14 years
(B) 60 years and above
(C) 15 to 59 years
(D) 10 to 30 years

74. Which of the following acts as a major "push factor" for youth out-migration from rural regions of Rajasthan?
(A) The presence of numerous multi-national IT parks in rural villages
(B) Government mandates restricting youth to stay in their home villages
(C) An overabundance of highly fertile, deeply irrigated agricultural land
(D) Severe scarcity of non-agricultural livelihood opportunities locally

75. Disguised unemployment is notoriously difficult to measure through standard surveys primarily because:
(A) Individuals appear gainfully employed on a daily basis
(B) It exclusively occurs within the highly structured, formal corporate technology sector
(C) Affected individuals explicitly and routinely declare themselves as unemployed to official survey workers
(D) It occurs strictly and predictably for exactly one calendar day during each financial year

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actual contribution to marginal production output remains zero or negligible due to workforce overcrowding.

9. (C) A surplus of degree-holding youth whose qualifications mismatch industry skill needs
Educated unemployment in regional economies like Rajasthan stems primarily from a structural mismatch between traditional academic curricula and modern industry requirements. While higher education institutions produce large cohorts of degree-holding graduates each year, many lack practical, market-relevant vocational skills or technical expertise. Consequently, young graduates face substantial difficulty finding formal employment that matches their educational attainments.

10. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Marginal productivity measures the additional output generated by adding one more unit of labour to a production process. In disguised unemployment, an excessive number of workers share existing land or capital resources. Because their contribution to total output is redundant, removing surplus workers does not reduce total production output, directly proving that their marginal productivity is zero.

11. (C) The preceding 365 days
The Usual Principal Status (UPS) approach in official employment surveys classifies an individual's economic status based on the activity pursued for a major part of the preceding 365 days. A person is considered employed under UPS if engaged in economic work for a relatively longer duration during this one-year reference period, capturing long-term structural trends in workforce participation.

12. (B) The activity status of a person over a reference period of the preceding 7 days
The Current Weekly Status (CWS) method evaluates an individual's employment status using a reference period of seven days preceding the survey date. Under CWS, a person is classified as employed if engaged in economic activity for at least one hour on any single day during that week, offering a short-term picture of seasonal and temporary employment fluctuations.

13. (A) I, II, and IV
Unemployment in India is driven by rapid demographic growth expanding the labour force beyond job creation capacities, combined with sluggish industrial expansion that forces excess labor into agriculture. Disguised agricultural unemployment conceals true joblessness. Rather than being aligned, the education system suffers from serious skill mismatches, failing to impart industrial competencies required by modern employers.

14. (B) 15 to 29 years
In Indian statistical frameworks and international labour standards, youth unemployment is evaluated specifically for the population aged 15 to 29 years. Tracking this demographic bracket allows policymakers to measure transition challenges faced by young individuals entering the workforce after completing formal education, highlighting specific vulnerabilities such as skill gaps and initial entry-level job scarcity in modern industries.

15. (C) Labour force expansion outpaces job creation in non-farm economic sectors
Rapid demographic population growth directly expands the supply of new entrants into the labour force every year. When industrial development and service sector expansion fail to generate productive employment at a matching rate, economic job absorption capacity becomes overloaded. Consequently, a growing pool of job seekers cannot find suitable employment, driving up overall unemployment rates.

16. (A) 2, 1, 4, 3
The operational phase of frictional unemployment begins when a worker voluntarily resigns from existing employment to pursue better prospects. Next, the worker updates qualifications and registers on professional job platforms to locate opportunities. Subsequently, the individual attends employment interviews and negotiates contractual terms over time. Finally, accepting a suitable job offer completes the job search process.

17. (C) Absorption of workers into low-wage jobs reflects underemployment instead of formal employment
The informal economy frequently masks open unemployment by absorbing surplus workers into low-productivity, unorganized tasks such

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CHAPTER 23

Remedies and Current Flagship Schemes for Poverty and Unemployment

1. Which of the following best describes the core principle of asset creation as a general poverty alleviation strategy?
(A) Providing monthly consumption grants to households below the poverty line
(B) Distributing free food grains through the public distribution system
(C) Generating permanent physical or financial resources that enable sustained future income for the poor
(D) Organizing job fairs to match urban youth with temporary employment

2. The National Rural Livelihood Mission (NRLM) was launched by restructuring which of the following earlier poverty alleviation programmes?
(A) Jawahar Rozgar Yojana
(B) Swarnajayanti Gram Swarozgar Yojana (SGSY)
(C) Prime Minister's Employment Generation Programme (PMEGP)
(D) Indira Awaas Yojana

3. Under the Mukhyamantri Yuva Sambal Yojana in Rajasthan, what is the monthly unemployment allowance provided to eligible female, transgender, and specially-abled candidates?
(A) Rs. 3,000
(B) Rs. 3,500
(C) Rs. 4,000
(D) Rs. 4,500

4. Match List I with List II and select the correct answer using the codes given below:
List I: (Scheme/Initiative)
P. Mukhyamantri Yuva Sambal Yojana
Q. Deen Dayal Upadhyaya Grameen Kaushalya Yojana
R. Pradhan Mantri Awas Yojana
S. National Food Security Act
List II: (Primary Objective)
1. Addressing hunger-related deprivation
2. Rural youth skill training
3. Unemployment allowance and internship
4. Housing poverty reduction
(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-4, R-2, S-1
(D) P-4, Q-2, R-3, S-1

5. The Rajasthan Skill and Livelihoods Development Corporation (RSLDC) was originally established in 2004 under which of the following names?
(A) Rajasthan Livelihood Authority (RLA)
(B) State Council for Skill Development
(C) Rajasthan Mission on Livelihoods (RMoL)
(D) Rajasthan Rural Employment Board

6. What is the mandatory placement requirement for candidates trained under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)?
(A) 50% of all trained candidates must be placed in wage employment.
(B) 70% of all trained candidates must be placed in wage employment.
(C) 100% of all trained candidates must be placed in self-employment.
(D) There is no mandatory placement requirement; it is purely a certification scheme.

7. Which of the following is NOT a primary objective of Rajasthan's iStart policy?
(A) Providing mentorship and incubation support to early-stage ventures
(B) Facilitating seed funding and venture capital access
(C) Promoting entrepreneurship among students and rural innovators
(D) Guaranteeing government jobs for the founders of failed startups

8. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): Direct Benefit Transfer (DBT) has significantly improved the targeting efficiency of poverty alleviation schemes.

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26. (D) Transition to private hiring via digital portals and campus recruitment
Traditional Employment Exchanges have experienced declining relevance due to the rapid growth of digital job platforms, private recruitment agencies, and direct campus recruitment by corporations. Job seekers and employers increasingly prefer web-based portals that offer real-time matching, transparent hiring processes, and instant communication, bypassing the manual registration and bureaucratic procedures of state government employment exchanges.

27. (C) Both I and II
The Periodic Labour Force Survey was introduced to deliver frequent, reliable employment indicators, replacing the earlier five-year quinquennial surveys. It covers diverse demographic categories in both rural and urban areas across various education levels. The survey is not restricted to postgraduates but samples households across all educational backgrounds to assess broader national labour market dynamics.

28. (B) Economic growth occurring without proportionate job expansion
Jobless growth describes an economic scenario where gross domestic product expands continuously without generating a corresponding growth in overall employment opportunities. This situation usually arises when economic expansion relies primarily on capital-intensive technology, automation, or productivity gains rather than expanding labour absorption, leaving expanding working-age labour forces struggling to secure suitable formal sector employment in developing nations.

29. (B) Works in a role below their skill level or with insufficient hours
Underemployment differs fundamentally from open unemployment because the affected worker is actively employed, yet works in a capacity that fails to utilize their full skills, education, or working hour availability. Such individuals frequently earn income significantly lower than their potential or take part-time work when seeking full-time employment, representing an underutilization of productive labour potential.

30. (A) I, II, and III
Structural unemployment stems from persistent, long-term shifts in economic structure, such as technological modernization, industrial reorganization, and automation. Because affected workers lack the updated technical skills demanded by emerging sectors, resolving structural unemployment requires extensive long-term worker retraining programs. Unlike short-term frictional unemployment, structural joblessness persists over prolonged durations rather than resolving within a few weeks.

31. (C) Unpaid agricultural family work is often excluded from economic metrics
Discrepancies in measuring the Female Labour Force Participation Rate arise mainly because standard economic metrics struggle to capture unpaid family labor. In rural agrarian economies like Rajasthan, women perform substantial work on family farms and in household enterprises. However, statistical frameworks often categorize this unpaid economic contribution as domestic care work, excluding these women from official workforce statistics.

32. (D) Using outdated curricula and equipment misaligned with industry needs
Industrial Training Institutes often face public criticism for failing to align vocational training with evolving industrial technologies. Many institutes rely on outdated academic syllabi, old machinery, and theoretical instruction methods that do not reflect modern manufacturing standards. Consequently, ITI graduates experience skill gaps, rendering them ill-equipped for modern industrial job vacancies despite earning technical certificates.

33. (A) P-3, Q-4, R-1, S-2
Unemployment types map directly to their underlying causes. Technological advancement replacing manual operations causes structural unemployment. Workforce overcrowding on small agricultural holdings leads to disguised unemployment. Inactive periods between kharif and rabi cropping cycles create seasonal unemployment. Finally, the time required for recent university graduates to find their first job illustrates frictional unemployment during professional career transitions.

34. (B) Excessive formal job creation
Slow industrial growth is caused by economic bottlenecks such as capital shortages, inadequate infrastructure, and complex regulatory compliance burdens. Excessive

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as street vending or casual manual labor. While these individuals appear employed in statistical terms, they suffer from severe underemployment, working for low wages with insufficient working hours and lacking formal job contracts or basic social security benefits in regional markets.

18. (B) A coping strategy caused by insufficient local non-farm employment
Out-migration of rural youth to neighbouring industrialized states serves as an economic survival strategy driven by local push factors. Arid weather conditions, seasonal agriculture, and a dearth of non-farm employment opportunities force young workers to seek wage employment elsewhere. This movement helps households supplement seasonal farm income despite creating social and economic dislocation risks in rural communities.

19. (B) Usual Principal Status, Current Weekly Status, Current Daily Status
In Indian employment measurement, reference periods determine the temporal scope of status assessment. The Usual Principal Status assesses economic activity over the past 365 days, representing the longest reference period. The Current Weekly Status uses a shorter 7-day reference period. The Current Daily Status measures activity for each day within that week, representing the shortest reference period.

20. (A) The rapid adoption of automation and artificial intelligence
Structural unemployment occurs when technological innovation fundamentally alters skill requirements in the labour market. Rapid introduction of industrial automation, robotics, and artificial intelligence replaces traditional manual or repetitive tasks in textile mills and manufacturing factories. Workers who lack specialized technical training are displaced, generating persistent structural unemployment until retraining enables alignment with modern production methods.

21. (A) P-4, Q-1, R-3, S-2
Economic definitions strictly delineate labor categories. The labour force encompasses both working individuals and active job seekers. The workforce comprises exclusively those persons currently employed in economic activities. Unemployed persons are individuals willing and able to work but lacking jobs. Those out of the labour force are individuals neither working nor seeking formal employment opportunities.

22. (A) Disguised unemployment
Agricultural underemployment in developing economies is virtually synonymous with disguised unemployment. In rural farming households, land holdings are often small and fragmented while family workforce size grows. Consequently, more individuals work on the farm than required, leading to hidden underemployment where additional workers add zero incremental value to overall agricultural production output levels in rural areas.

23. (D) Inadequate non-farm job creation, raising pressure on agriculture
Slow industrial growth directly severely restricts the creation of non-farm employment opportunities in manufacturing and processing sectors. As new workforce entrants cannot find factory or formal service jobs, surplus labour is forced back into rural agriculture. This intensifies demographic land pressures, lowers agricultural wages, and worsens disguised and seasonal unemployment in regional rural areas.

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24. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Educated unemployment among youth in regional economies is largely caused by a pervasive skill mismatch. Conventional standard degree programs focus heavily on theoretical knowledge while neglecting modern technical competencies, communication skills, and practical industry training. Because educational output does not align with private sector employer demands, graduates remain unemployed despite possessing formal university academic qualifications.

25. (C) National Statistical Office (NSO)
The National Statistical Office, operating under the Ministry of Statistics and Programme Implementation, is the official government agency mandated to conduct the Periodic Labour Force Survey in India. The NSO collects, processes, and disseminates regular employment and unemployment data across rural and urban sectors to assist in national macroeconomic policy planning and formulation.

In agrarian regions like Rajasthan, the interval between harvesting the Rabi crop and sowing the Kharif crop leaves agricultural workers temporarily without farm work. This recurring gap generates a seasonal spike in rural unemployment until agricultural operations resume with the arrival of monsoon rains.

44. (B) Short-term and temporary
Frictional unemployment represents a temporary, short-term economic phenomenon occurring when individuals switch jobs or enter the labor market for the first time. In a well-functioning market economy, this job search duration spans a brief transitional window while job seekers gather market information, interview with potential employers, and evaluate prospective formal job contract offers.

45. (B) Decennial Census → NSSO Quinquennial Surveys → Periodic Labour Force Survey (PLFS)
India's employment measurement evolved chronologically across three main survey frameworks. The Decennial Census provided the earliest comprehensive population-wide worker enumeration. Later, the National Sample Survey Office introduced quinquennial five-year sample surveys to analyze detailed workforce dynamics. Most recently, the NSO launched the Periodic Labour Force Survey to deliver high-frequency quarterly and annual national labor statistics.

46. (A) Disguised unemployment
When ten individuals work on a agricultural field where only four are required to maintain peak output, the surplus six workers demonstrate disguised unemployment. Because these additional workers add no net increase to total crop yield, their marginal physical productivity is zero. Removing them from the plot would leave overall agricultural yield output entirely unchanged.

47. (C) Skill mismatch
Skill mismatch describes a structural imbalance between the qualifications, skills, and knowledge acquired by educational graduates and the specific practical competencies required by modern industry employers. When university curricula remain overly theoretical, graduates lack technical and professional skills needed in expanding economic sectors, generating persistent educated unemployment despite growing modern job market demand.

48. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The informal economy masks true joblessness because individuals facing open unemployment cannot afford to remain completely idle due to financial necessity. Instead, they accept low-productivity, low-wage casual work in unorganized sectors. Because employment surveys count anyone performing minimal economic work as employed, these underemployed individuals appear statistically employed, obscuring underlying economic joblessness.

49. (C) They occurred quinquennially, lacking real-time data relevance
The major operational limitation of the traditional Employment-Unemployment Surveys conducted by the National Sample Survey Office was their five-year quinquennial frequency. The long time gap between survey rounds produced outdated data that failed to reflect rapid economic changes, prompting the government to replace them with the Periodic Labour Force Survey for regular, annual, and quarterly tracking.

50. (B) It registers candidate status as a job seeker for prospective employment
Registering with an Employment Exchange enables an unemployed individual to formally record their educational qualifications, skills, and employment status in government databases. While registration does not guarantee direct public or private job placement, it serves as an official institutional channel for tracking job seekers and notifying candidates about government vacancies, skill programs, and recruitment drives.

51. (A) P-3, Q-2, R-4, S-1
Economic conditions create corresponding employment challenges. Rain-fed agriculture with mono-cropping seasonal patterns causes seasonal unemployment. Traditional handicraft sectors facing modern machine competition experience structural technological unemployment. Expanding university youth cohorts lacking specialized vocational orientation suffer from open educated unemployment. Finally, ITI graduates trained on obsolete equipment encounter skill mismatch unemployment in modern industrial markets.

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the interview. Activity status is determined in half-day units, capturing daily fluctuations in work availability. This granular methodology effectively records underemployment and short-term joblessness among casual and informal labourers.

70. (A) Visible underemployment
Visible underemployment occurs when an individual works in a position that requires significantly lower qualifications, skills, or hours than they possess. A qualified engineer working part-time as a primary tutor due to a lack of engineering vacancies is visibly underemployed, earning less income and underutilizing their professional capabilities relative to their formal educational training.

71. (D) Skill mismatches between candidates and industry needs
Government skill development initiatives directly address structural skill mismatches between job seekers and industry requirements. By providing market-oriented vocational training, technical certifications, and practical instruction, these schemes align youth qualifications with private sector demand, transforming unemployable job seekers into skilled personnel equipped for expanding modern industrial and service sector employment opportunities.

72. (B) Lack of job security and absence of formal employment contracts
Work in the unorganized or informal sector is primarily defined by a total lack of job security and written employment contracts. Workers face arbitrary termination, irregular wage payments, and an absence of statutory social security benefits like provident funds or health insurance, leaving them economically vulnerable to market downturns and sudden employer exploitation.

73. (C) 15 to 59 years
In Indian labor statistics and demographic studies, the standard working-age population is defined as individuals between 15 and 59 years of age. This demographic group forms the basis for estimating the total labour force, excluding young children below 15 and elderly individuals aged 60 and above who are conventionally classified as non-working economic dependents.

74. (D) Severe scarcity of non-agricultural livelihood opportunities locally
The severe scarcity of local non-agricultural job opportunities acts as a powerful push factor driving rural youth out-migration. In arid and semi-arid regions with uncertain seasonal rainfall, farming cannot sustain expanding rural populations year-round. Lacking alternative non-farm employment in nearby villages, young workers migrate to urban centers and industrial hubs for basic economic livelihood.

75. (A) Individuals appear gainfully employed on a daily basis
Disguised unemployment is difficult to measure through standard statistical surveys because affected individuals appear gainfully employed in daily activities on family farms or micro-enterprises. Survey methodologies recording work participation count these individuals as employed, making their zero marginal productivity and economic redundancy hidden behind visible participation in domestic or rural agricultural labor.

76. (B) Structural unemployment
Technological unemployment occurs when labour-saving machinery, software automation, and artificial intelligence replace human tasks in production processes. Because this displacement stems from a fundamental structural shift in how goods and services are produced, technological joblessness is categorized as a subset of structural unemployment, requiring workers to retrain for emerging technical market occupations.

77. (B) Surplus educated labour relative to formal job creation
When millions of applicants compete for a tiny number of public sector job vacancies, it illustrates severe educated unemployment resulting from an oversupply of degree holders relative to formal job creation. Higher educational expansion without corresponding growth in formal public or private sector employment forces qualified youth into intense competition for stable government job positions.

78. (A) Reallocating surplus farm labour to manufacturing and services
Resolving disguised unemployment in agriculture requires structural economic transformation through shifting redundant farm labour into non-agricultural sectors like manufacturing,

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61. (B) People willing to work at prevailing wages who cannot find employment
Involuntary unemployment defines an economic situation where individuals are willing, able, and actively seeking employment at current market wage rates but remain unable to secure jobs. This form of unemployment reflects demand deficiencies, structural skill imbalances, or macroeconomic contractions, representing an involuntary underutilization of available human resources across the overall national labor market.

62. (A) Severe gaps in soft skills, technical training, and vocational expertise
Graduate unemployment stems largely from a mismatch between general arts or science degrees and private sector employer needs. Higher education institutes frequently focus on theoretical knowledge while neglecting soft skills, technical expertise, and vocational application. Consequently, graduates struggle to meet job requirements, leaving employers with unfilled technical roles while graduate job seekers face persistent unemployment.

63. (C) Structural unemployment
When agricultural operations undergo mechanization through tractors and harvesters, machine power replaces manual farm labor. Landless agricultural labourers who rely on traditional harvesting tasks lose their primary source of income. Because their manual farm skills become obsolete, displaced workers experience structural unemployment until they acquire new technical competencies suited for expanded non-farm sectors.

64. (D) Census is a full population enumeration, whereas PLFS is a sample survey for detailed metrics
The Decennial Census collects demographic and basic worker data by conducting a complete, full-count enumeration of every household across the entire country once every ten years. In contrast, the Periodic Labour Force Survey relies on representative statistical sample surveys to generate high-frequency quarterly and annual estimates of nuanced labor indicators like underemployment and activity status.

65. (A) Both Statement I and Statement II are correct
In labor economics, the labour force represents total labor supply, comprising employed individuals actively engaged in production plus unemployed individuals willing and actively seeking work. Conversely, the workforce measures total labor demand absorbed by the economy, including exclusively those individuals who are actually employed. The difference between the labour force and workforce measures open unemployment.

66. (B) It remains virtually unchanged
In disguised unemployment, surplus farm workers contribute zero incremental value to overall agricultural production because the land is overcrowded. When these redundant workers are transferred from farming to newly established local manufacturing industries, total agricultural production output remains virtually unchanged. Their removal eliminates farm underemployment without causing any decline in total agricultural yields.

67. (D) Trough/Recession
Cyclical unemployment directly follows macroeconomic business cycle fluctuations. During the trough or recession phase, overall economic output contracts, business sales plummet, and aggregate consumer demand falls significantly. To reduce production costs and match lower demand, firms implement widespread layoffs, causing cyclical unemployment to reach its highest peak across manufacturing, service, and commercial economic sectors.

68. (B) I, III, and IV
The National Statistical Office conducts the Periodic Labour Force Survey using Current Weekly Status for frequent reporting. The Decennial Census categorizes individuals as main, marginal, or non-workers. However, Employment Exchange registration lists are incomplete and inaccurate measures of nationwide joblessness, as many registered individuals hold informal jobs while others seeking employment never formally register.

69. (C) Each day of the preceding 7 days
The Current Daily Status (CDS) approach measures employment by recording an individual's economic activity for each day during a seven-day reference period preceding

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formal job creation represents a positive labor market expansion outcome, making it logically inconsistent as a cause or negative consequence of slow industrial performance. Lack of industrial expansion restricted formal job creation across regional manufacturing sectors.

35. (D) Expansion of working-age population without adequate job creation
A demographic dividend occurs when a nation's working-age population expands relative to dependents, creating economic growth potential. However, if the economy fails to generate sufficient productive employment for this growing workforce, the demographic advantage converts into a demographic liability. High youth unemployment leads to social friction, lost productive potential, and regional economic instability.

36. (D) Assertion (A) is false but Reason (R) is true.
Out-migration of youth from rural regions is primarily driven by push factors rather than exclusive voluntary choices. Agrarian distress, low local wages, and an absence of non-farm jobs force youth to move to industrial states for basic employment. While educational aspirations exist, economic survival and lack of rural job creation remain the dominant push forces driving migration patterns.

37. (C) Self-employed workers
In the Periodic Labour Force Survey framework, unpaid family workers helping in household enterprises, farms, or shops are classified under self-employed workers. Known specifically as unpaid helpers in household enterprises, these individuals contribute directly to economic production within family business operations, even though they do not receive direct monetary remuneration or formal contractual wage payments.

38. (A) Structural unemployment resolves automatically when business cycles recover
Structural unemployment does not resolve automatically when business cycles recover because it stems from fundamental skill imbalances and technological shifts rather than temporary aggregate demand shortages. While cyclical unemployment decreases during economic expansions as aggregate demand rises, structural unemployment requires structural interventions such as long-term workforce retraining, education reform, and technological realignment across industrial sectors.

39. (A) $3 \rightarrow 4 \rightarrow 1 \rightarrow 2$
Deriving the open unemployment rate begins with the total demographic population of a region. From this base, the working-age population participating or seeking work is identified to define the labour force. Within the labour force, the total employed workforce is subtracted, isolating the unemployed population actively seeking employment to calculate official open unemployment rates.

40. (B) Higher than national average due to local job creation deficits
Periodic Labour Force Survey reports show that unemployment rates in Rajasthan, particularly among educated youth, frequently exceed national averages. This discrepancy is driven by regional challenges including slow non-farm industrial expansion, a heavy economic dependence on rain-fed agriculture, skill mismatches among graduates, and slow creation of formal private sector employment opportunities statewide.

41. (C) Temporary dips in consumer spending due to a seasonal holiday
Structural unemployment stems from long-term, fundamental realignments in an economy, such as technological shifts, automation, or declining traditional industries. In contrast, temporary dips in consumer spending associated with short-term seasonal holiday fluctuations represent cyclical or seasonal variations in aggregate demand rather than deep-seated structural mismatches in worker qualifications and industry job skill requirements.

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42. (C) Only III
Youth unemployment in Rajasthan disproportionately affects educated graduates who spend years preparing for limited government recruitments. Private sector job absorption remains insufficient to offset public sector job scarcity, making the claim of high private sector absorption incorrect. Consequently, degree holders experience severe open unemployment while waiting for public recruitment examinations to materialize statewide.

43. (A) Seasonal unemployment
The agricultural production cycle creates predictable periods of activity and inactivity.

construction, and services. Reallocating excess workers removes hidden underemployment on farm plots, optimizes land-to-labour ratios, boosts rural household wages, and generates genuine productive economic output across expanded secondary and tertiary economic sectors.

79. (C) A graduate actively seeking employment but receiving no job offers for a year
Open unemployment is characterized by a situation where an individual is fully without work, available for employment, and actively seeking job opportunities, yet remains completely unable to secure any employment over an extended period. A university graduate who actively searches for work for a year without receiving job offers represents a classic, clearly visible case of open unemployment.

80. (D) Aligning curricula with industry needs, fostering entrepreneurship, and investing in non-farm sectors
Addressing educated unemployment requires multi-faceted policy interventions. Updating academic curricula to align with modern industry skill demands eliminates structural skill mismatches. Fostering entrepreneurship and start-up ecosystems encourages self-employment, while expanding investments in non-farm sectors like manufacturing and services creates formal jobs capable of absorbing the annual influx of young educated job seekers.

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52. (A) Urban areas only
The Periodic Labour Force Survey publishes quarterly bulletins that focus specifically on urban employment indicators using the Current Weekly Status framework. Because urban labor markets undergo rapid short-term changes, quarterly monitoring tracks key indicators like Labour Force Participation Rate and Unemployment Rate in urban sectors, while comprehensive rural employment data is published in annual reports.

53. (C) Out of the labour force
The economic labour force comprises only those individuals who are either employed or actively seeking employment. Capable individuals who choose to enroll in full-time higher education are not actively looking for work, placing them outside the active labour supply. Consequently, statistical surveys categorize full-time students as out of the labour force rather than open unemployed.

54. (B) I, II, and IV
Informal sector employment is characterized by an absence of written job contracts and formal social security benefits. Workers experience high underemployment and lower wages. Rather than being negligible, the informal sector absorbs a predominant share of Rajasthan's total workforce, serving as a critical sponge for surplus rural workers who migrate toward urban centers seeking livelihoods.

55. (D) Structural unemployment from skill transition delays
When an economy shifts its primary dependency away from agriculture toward manufacturing and service sectors, skill requirements evolve rapidly. Agricultural workers transitioning to non-farm industries often lack technical knowledge and vocational training. This skill transition gap causes short-to-medium term structural unemployment until workforce training programs align worker capabilities with modern industrial market demands.

56. (B) High economic growth paired with slow job creation
Capital-intensive industrial development relies heavily on advanced machinery, automated assembly systems, and modern technology rather than large worker cohorts. While this growth model increases industrial productivity and state economic output, it generates limited direct employment, resulting in jobless growth where high economic expansion coexists with slow job creation for the broader state workforce.

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57. (A) Both I and II
Female Labour Force Participation in India is affected by non-market engagement and social constraints. A vast number of rural women perform unpaid agricultural work and domestic responsibilities, which official survey methodologies undercount. Furthermore, social norms, safety concerns, and domestic obligations impede female mobility and workforce entry. Urban female participation remains lower than male participation across most sectors.

58. (D) Seasonal Unemployment — Rural agricultural sector
Seasonal unemployment displays a strong regional concentration in rural agricultural areas. Because traditional farming activities depend strictly on rainfall patterns and crop production cycles, agricultural laborers experience intense employment during peak sowing and harvesting months, followed by extended periods of joblessness during off-season dry months when active crop cultivation ceases completely.

59. (A) Guaranteed white-collar urban job offers
Seasonal migration among landless agricultural labourers in agrarian regions is driven by push factors, such as crop failures, monsoonal droughts, low local farm wages, and an absence of non-farm employment during agricultural off-seasons. Guaranteed white-collar urban jobs require formal higher qualifications and do not represent a realistic driver for unskilled seasonal migrant agricultural workers.

60. (B) People choose not to work at prevailing wages despite job availability
Voluntary unemployment occurs when individuals choose not to accept employment at current market wage rates, even though job opportunities are available. This decision may stem from personal financial security, pursuit of higher education, preference for leisure, or expectation of higher future wages. Because these individuals voluntarily withdraw from the job search, they are economically distinct from involuntarily unemployed persons.

Reason (R): DBT eliminates the need for biometric identification and allows funds to be disbursed without bank accounts.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

9. In the context of housing schemes, which of the following defines the primary poverty-reduction dimension of the Pradhan Mantri Awas Yojana - Gramin (PMAY-G)?
(A) It offers heavily subsidized rental housing units situated exclusively in urban areas for economic migrants.
(B) It provides direct cash financial assistance solely for purchasing commercial urban real estate properties.
(C) It provides a pucca house with basic amenities to all houseless households and those in dilapidated houses.
(D) It limits its housing welfare financial assistance strictly to families holding state government jobs.

10. Under the National Food Security Act (NFSA), households covered under the Antyodaya Anna Yojana (AAY) are entitled to receive how much food grain per family per month?
(A) 15 kg
(B) 25 kg
(C) 35 kg
(D) 50 kg

11. Consider the following statements regarding Financial Inclusion:
Statement I: Financial inclusion primarily aims to provide banking access and formal credit to vulnerable groups and low-income populations at an affordable cost.
Statement II: Access to formal banking inherently prevents the poor from falling into the debt traps of unorganized money lenders.
Which of the following statements is correct?
(A) Both Statement I and Statement II are correct.
(B) Both Statement I and Statement II are incorrect.
(C) Statement I is correct but Statement II is incorrect.
(D) Statement I is incorrect but Statement II is correct.

12. Consider the following statements regarding the eligibility conditions for the Mukhyamantri Yuva Sambal Yojana:
I. The applicant must be a native of Rajasthan.
II. The applicant must hold a graduation degree from a recognized university.
III. The applicant must be currently employed in a state government position.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

13. Which digital platform has been integrated with employment exchanges nationwide to create a modern job-matching framework for unemployed youth?
(A) E-Gram Swaraj
(B) National Career Service (NCS) portal
(C) Pradhan Mantri Jan-Dhan portal
(D) Udyam Registration portal

14. Which of the following is the most significant dual advantage of public works programmes like MGNREGA in addressing rural deprivation?
(A) They offer guaranteed wage employment while simultaneously creating durable rural infrastructure.
(B) They provide specialized agricultural credit facilities and heavily subsidize export-oriented crops.
(C) They train rural youth in advanced IT skills and place them in major multinational corporations.
(D) They replace the existing public distribution system by making wage payments strictly in food grains.

15. The SHG-Bank Linkage Programme is a major poverty remedy because it primarily addresses which constraint faced by the rural poor?
(A) Lack of formal higher educational and professional job qualifications
(B) Unavailability of fertile and irrigated agricultural land holdings
(C) Inability to provide traditional collateral for formal bank loans
(D) Lack of direct access to lucrative urban commercial trading markets

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Village Organizations (VO)

61. Aadhaar seeding in welfare schemes aims to eliminate "ghost beneficiaries." What exactly does a "ghost beneficiary" refer to?
(A) A genuine scheme beneficiary who has permanently migrated to reside in another administrative state.
(B) A non-existent or deceased individual in whose name welfare benefits are fraudulently claimed.
(C) A genuine eligible beneficiary whose scheme enrollment application remains pending for verification.
(D) An active beneficiary who explicitly refuses to link their personal bank account with scheme portals.

62. Which of the following groups constitutes the primary target beneficiary for the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)?
(A) Rural youth from poor families aged 15 to 35 years
(B) Urban youth aged 18 to 45 years
(C) Retired military personnel
(D) Currently employed government teachers seeking IT training

63. Choose the odd one out among the following strategies in terms of their primary objective:
(A) Implementation of Direct Benefit Transfer (DBT) schemes
(B) Integration of Aadhaar biometric identification systems
(C) Imposition of high customs tariffs on imported luxury cars
(D) Opening of universal Jan-Dhan zero-balance bank accounts

64. Match List I with List II and select the correct answer using the codes given below:
List I: (Poverty/Employment Strategy)
P. Rural Wage Employment Guarantee
Q. Skilling and Placement
R. Direct Food Security
S. Startup Support
List II: (Example Scheme)
1. iStart
2. MGNREGA
3. NFSA
4. DDU-GKY
(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-4, R-2, S-1

65. The Multidimensional Poverty Index (MPI) assesses poverty on three broad dimensions. Which of the following is NOT one of these dimensions?
(A) Health
(B) Education
(C) Political Participation
(D) Standard of Living

66. When evaluating last-mile delivery challenges, "Inclusion Errors" in poverty alleviation schemes occur when:
(A) Genuine deserving poor households are completely left out of scheme welfare benefits.
(B) Non-eligible, wealthier individuals wrongly receive scheme benefits intended for poor.
(C) Allocated annual scheme operational funds lapse unutilized at the end of financial year.
(D) The central ministry fails to release allocated financial grant transfers to state bodies.

67. The Bhamashah Yojana in Rajasthan, which preceded the Jan Aadhaar Yojana, was a pioneering scheme primarily because:
(A) It was the pioneering welfare scheme to guarantee direct unemployment allowance grants exclusively to rural adult men.
(B) It completely eliminated the physical public distribution system and replaced it with universal private food markets.
(C) It focused its financial allocation solely on promoting heavy urban infrastructure and large-scale industrialization.
(D) It mandated that the eldest female member be recognized as the head of the family for receiving scheme welfare benefits.

68. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): Microfinance is an effective tool for empowering women in rural areas.
Reason (R): It grants them access to independent financial resources, which often translates to better decision-making power within the household.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.

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government level.
(B) The comprehensive process of auditing scheme funds by the Comptroller and Auditor General of India.
(C) The formal international funding and loan negotiations conducted for domestic poverty schemes.
(D) Implementation gaps preventing benefits from reaching the intended beneficiary at the grassroots level.

24. Match List I with List II and select the correct answer using the codes given below:
List I: (Rajasthan Institutional Framework/ Initiative)
P. iStart Rajasthan
Q. RSLDC
R. Jan Aadhaar Authority
S. RIICO
List II: (Core Focus Area)
1. Skilling and livelihood generation
2. Unified resident data and benefit transfer
3. Industrial infrastructure promotion
4. Startup and entrepreneurship promotion
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-2, S-4

25. How has Aadhaar integration specifically improved the implementation of the Public Distribution System (PDS) under NFSA?
(A) By significantly increasing the maximum retail price charged for subsidized food grains at shops.
(B) By replacing physical food grains entirely with direct monetary cash deposits in bank accounts.
(C) By enabling biometric authentication to eliminate ghost beneficiaries and duplicate ration cards.
(D) By strictly limiting all Public Distribution System benefits exclusively to urban market residents.

26. Which of the following is the primary role of a business incubation centre in the context of entrepreneurship promotion?
(A) To directly assess and collect mandatory corporate income tax from newly registered companies.
(B) To permanently take over the operational management and executive control of struggling businesses.
(C) To strictly regulate the public stock market listing and compliance of large-scale corporations.
(D) To provide startups with workspace, mentorship, and initial networking opportunities.

27. Subsidized loan schemes like the Pradhan Mantri Mudra Yojana aim to promote self-employment primarily by providing credit to:
(A) Non-corporate, non-farm small and micro-enterprises
(B) Large-scale multinational corporations
(C) Government-owned public sector undertakings
(D) Exclusively to farmers for buying agricultural land

28. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): The National Food Security Act (NFSA) acts as a powerful tool for poverty alleviation.
Reason (R): It legally entitles a significant portion of the population to receive highly subsidized food grains, thereby protecting their real income and reducing out-of-pocket expenditure on food.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

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29. A central belief of the National Rural Livelihood Mission (NRLM) is that the poor have innate capabilities. What institutional mechanism does NRLM primarily use to harness these capabilities?
(A) Government-run urban employment exchanges and job portals
(B) Women's Self Help Groups (SHGs) and their federations
(C) Private commercial microfinance and lending institutions
(D) Primary Agricultural Credit Societies operating at local level

30. Poverty in India is typically measured using absolute poverty lines. Which of the following best defines an absolute poverty line?
(A) A fixed minimum threshold of income or consumption expenditure required to meet basic necessities.

(B) A relative measure based on the wealth disparity existing between the top 10% and bottom 10% of citizens.
(C) A threshold calculated strictly as the average income of the entire national population divided by two.
(D) A comparison of the total financial asset valuation of a household relative to the state economic average.

31. Under the Mukhyamantri Yuva Sambal Yojana, how long is the maximum duration for which a candidate can receive the unemployment allowance?
(A) 1 year or until employment is secured, whichever is earlier
(B) 2 years or until employment is secured, whichever is earlier
(C) 3 years or until employment is secured, whichever is earlier
(D) 5 years continuously, regardless of employment status

32. Consider the following statements regarding the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):
I. It targets rural youth specifically in the age group of 15 to 35 years.
II. It is entirely funded by state governments without any central contribution.
III. It is a placement-linked skill development programme.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

33. The flagship startup assessment program introduced under the Rajasthan Startup Policy to evaluate and rate startups is known as:
(A) Start-Check
(B) Raj-Value
(C) Q-Rate
(D) Innovate-Scale

34. Which of the following represents an exception to the Direct Benefit Transfer (DBT) mechanism as generally implemented?
(A) Transferring scholarship funds directly to a student's bank account
(B) Distributing physical bicycles and laptops through local schools
(C) Paying wages to MGNREGA workers directly into their verified bank accounts
(D) Transferring LPG subsidy directly to the consumer's account

35. To bridge implementation gaps, schemes like PMAY-G utilize "AwaasSoft" and "AwaasApp". What is their primary function?
(A) To generate and design the customized architectural structural layouts of subsidized housing units.
(B) To process and provide low-interest commercial housing loans directly to middle-income urban groups.
(C) To establish an e-commerce platform for selling building construction materials online at fixed rates.
(D) To electronically track the physical and financial progress of individual house construction work.

36. Consider the following features of the Pradhan Mantri Awas Yojana - Gramin (PMAY-G):
I. Beneficiary selection is strictly based on the SECC 2011 data and Gram Sabha verification.
II. Funds are transferred entirely in a single installment before construction begins.
III. The minimum unit size prescribed is 25 sq. meters including a dedicated area for hygienic cooking.
IV. It mandates that ownership of the house be ideally in the name of the female head of the household or jointly.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

37. In the context of financial inclusion in remote areas, what is the role of a "Bank Mitra" or Business Correspondent (BC)?
(A) To act as an official financial guarantor for securing large-scale corporate commercial loans.
(B) To inspect and audit the financial accounting books of regional rural banking institutions.
(C) To provide branchless banking services on behalf of a financial bank at the village level.
(D) To distribute subsidized agricultural seeds and chemical fertilizers directly to local farmers.

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38. When evaluating the success of flagship poverty schemes, "Outcome tracking" differs from "Output tracking" because outcome tracking measures:
(A) The actual improvement in the socio-economic status and sustained livelihoods of the beneficiaries.
(B) The total financial expenditure incurred and capital disbursed by the state within a financial year.
(C) The total physical quantity of government-funded vocational training centers opened across districts.
(D) The overall volume of digital benefit applications received and logged on the official scheme portal.

39. Identify the scheme which is explicitly designed to act as a bridging support mechanism for educated unemployed youth in Rajasthan while they search for jobs.
(A) Mukhyamantri Kisan Mitra Urja Yojana
(B) Mukhyamantri Chiranjeevi Swasthya Bima Yojana
(C) Rajasthan Rural Livelihood Project
(D) Mukhyamantri Yuva Sambal Yojana

40. Arrange the following stages of the Skill Training and Employment lifecycle (as envisioned by RSLDC) in the correct logical order:
1. Mobilization and Counselling of Candidates
2. Post-placement Tracking
3. Skill Assessment and Certification
4. Core Skill Training Delivery

Which of the following options represents the correct sequential order?
(A) 1, 4, 3, 2
(B) 4, 1, 3, 2
(C) 1, 3, 4, 2
(D) 4, 3, 1, 2

41. Which of the following is considered an "asset creation" outcome under the MGNREGA public works programme?
(A) Free distribution of essential medicines at rural health centers
(B) Organizing and conducting annual rural community sports tournaments
(C) Construction of a permanent village water conservation pond
(D) Organizing district-level career fairs for local unemployed youth

42. The "JAM Trinity," often cited as the backbone of improving targeting efficiency in poverty schemes, stands for:
(A) Justice, Aadhaar, Microfinance
(B) Jobs, Agriculture, Manufacturing
(C) Jan-Suraksha, Awas, Mudra
(D) Jan-Dhan, Aadhaar, Mobile

43. Which of the following best describes "disguised unemployment," a major cause of rural poverty in the agricultural sector?
(A) More people are engaged in an agricultural activity than are actually required for optimal production.
(B) Agricultural workers remain entirely without gainful wage employment throughout the complete calendar year.
(C) Rural agricultural workers migrate to urban cities but consistently fail to find suitable employment.
(D) Traditional manual farm workers are permanently replaced by modern automated agricultural machinery.

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44. Match List I with List II and select the correct answer using the codes given below:
List I: (Term/Concept)
P. Frictional Unemployment
Q. Structural Unemployment
R. Direct Benefit Transfer
S. Microfinance
List II: (Definition/Characteristic)
1. Provision of small credit to low-income clients
2. Mismatch of available skills and market needs
3. Time lag between switching jobs
4. Subsidy delivery directly to bank accounts
(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-4, R-2, S-1
(D) P-4, Q-1, R-3, S-2

45. Which of the following state policies is specifically geared towards providing a plug-and-play environment, common infrastructure, and networking for IT and non-IT startups in Rajasthan?
(A) Rajasthan Industrial Development Policy
(B) Rajasthan Startup Policy
(C) Rajasthan Agricultural Export Policy
(D) Rajasthan Tourism Unit Policy

(C) II, III, and IV only
(D) I, II, and IV only

77. The term "Demographic Dividend," which employment schemes aim to harness, refers to:
(A) The annual monetary cash dividend paid directly to registered rural citizens by the state exchequer to alleviate baseline poverty.
(B) The increase in economic growth resulting from a shift in a population's age structure, specifically a larger working-age population.
(C) The rapid structural demographic expansion of the senior elderly population requiring comprehensive social security pension support.
(D) The balanced geographic distribution of working population evenly spread across agricultural rural and industrial urban sectors.

78. A critical component of monitoring and evaluation for flagship schemes is "Social Audit." What does it primarily entail?
(A) An evaluation of the scheme's execution and financial records collectively by the local community or Gram Sabha.
(B) A formal institutional audit of scheme expenditure records conducted exclusively by certified chartered accountants.
(C) The mandatory process of taking and uploading physical scheme progress photographs on public social media platforms.
(D) The central ministry directly and randomly contacting registered scheme beneficiaries on their mobile telephone numbers.

79. When an individual takes a subsidized loan under a self-employment scheme to buy a sewing machine to start a tailoring business, the sewing machine represents:
(A) Liquid working capital
(B) Consumable operational asset
(C) Productive physical asset
(D) Social overhead capital asset

80. Arrange the following interventions of a typical comprehensive Poverty Alleviation framework in the correct logical progression:
1. Enhancing sustainable income generation capacity
2. Providing immediate relief (e.g., subsidized food)
3. Asset creation and microfinance support
4. Skill training and capacity building

Which of the following options represents the correct sequential order?
(A) 2, 4, 3, 1
(B) 4, 2, 1, 3
(C) 1, 3, 2, 4
(D) 3, 1, 4, 2

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Modernization of this framework relies heavily on:
(A) Digital job-matching platforms that connect job seekers, employers, and training providers in real-time.
(B) Reverting strictly to traditional manual ledger record tracking systems to ensure operational accuracy.
(C) Restricting employment exchange registration strictly to candidates holding university graduate degrees.
(D) Formally forbidding all private sector corporate employers from listing available job vacancies online.

55. What is the fundamental difference between 'absolute poverty' and 'relative poverty'?
(A) Absolute poverty measures inequality among societal groups, whereas relative poverty strictly measures the total lack of basic human needs.
(B) Absolute poverty exists exclusively within urban centers, whereas relative poverty is found strictly within agrarian rural communities.
(C) Absolute poverty is determined solely by formal educational levels, whereas relative poverty is measured using public health indicators.
(D) Absolute poverty occurs when basic survival needs are unmet, whereas relative poverty refers to falling behind average societal standards.

56. Consider the following statements regarding the benefits of microfinance for the poor:
I. It provides small-scale credit to individuals who lack collateral.
II. It focuses entirely on financing large-scale industrial ventures.
III. It encourages a habit of savings among low-income groups.
IV. It often utilizes peer pressure within SHGs to ensure high loan repayment rates.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

57. In the context of industrial promotion in Rajasthan, what role does the Rajasthan State Industrial Development and Investment Corporation (RIICO) play in unemployment reduction?
(A) It provides direct monthly monetary unemployment allowances exclusively to unemployed engineering graduates.
(B) It constructs and directly administers public primary schools located within rural industrial development zones.
(C) It develops industrial areas and infrastructure, thereby attracting commercial enterprises that create localized jobs.
(D) It functions as a state trading agency that solely exports agricultural raw materials to foreign market destinations.

58. The concept of "Trickle-down effect," often debated in poverty alleviation, theorizes that:
(A) Welfare poverty schemes should directly transfer unconditional cash grants to the poorest households.
(B) Financial government subsidies should strictly be provided for essential agricultural crop products.
(C) National economic wealth should be forcefully redistributed from wealthy individuals to poor populations.
(D) Overall economic and industrial growth will eventually benefit all sections of society, including the poor.

59. Which of the following is the most appropriate definition of the "Working Age Population" in standard demographic and employment mapping in India?
(A) 10 to 50 years
(B) 15 to 59 years
(C) 21 to 65 years
(D) 18 to 70 years

60. Which of the following represents the correct sequential process for institutionalizing rural women under the National Rural Livelihood Mission (NRLM)?
(A) Formation of Village Organizations (VO) → Formation of SHGs → Formation of Cluster Level Federations (CLF)
(B) Formation of SHGs → Formation of Village Organizations (VO) → Formation of Cluster Level Federations (CLF)
(C) Formation of Cluster Level Federations (CLF) → Formation of SHGs → Formation of Village Organizations (VO)
(D) Formation of SHGs → Formation of Cluster Level Federations (CLF) → Formation of

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46. Under the current guidelines of the Mukhyamantri Yuva Sambal Yojana, candidates receiving the unemployment allowance are mandatorily required to:
(A) Undertake a 4-hour daily internship in a government department.
(B) Mandatorily surrender their family ration cards to authorities.
(C) Permanently relocate their residence to a metropolitan city.
(D) Fully repay the received allowance once they secure employment.

47. In the context of Self Help Groups (SHGs) under NRLM, what does the principle of "Panchasutra" primarily guide?
(A) The five sequential administrative stages required for establishing a large-scale heavy industrial factory.
(B) The five mandatory commercial agricultural crops that must be cultivated by all registered group members.
(C) The five core operational practices: regular meetings, savings, internal lending, repayment, and bookkeeping.
(D) The five central government digital web portals mandatorily used for registration and monitoring of the group.

48. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): Central-State scheme convergence is highly recommended in public administration.
Reason (R): It leads to pooling of resources, avoids duplication of infrastructure, and ensures a wider reach among the target beneficiary group.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

49. Which one of the following schemes is NOT primarily an employment or livelihood generation programme?
(A) MGNREGA
(B) DDU-GKY
(C) National Health Mission (NHM)
(D) National Rural Livelihood Mission (NRLM)

50. The institutional mechanism in Rajasthan that utilizes a unified family demographic database to ensure efficient targeting and delivery of various welfare schemes is known as:
(A) E-Mitra
(B) Jan Aadhaar
(C) RajKaj
(D) Sampark Portal

51. Skill mapping primarily benefits an unemployed youth by:
(A) Providing direct monthly monetary cash assistance to youth regardless of their individual skill level.
(B) Completely waiving off all outstanding higher educational loans previously taken by candidates.
(C) Automatically granting permanent state government employment positions upon simple registration.
(D) Identifying their specific aptitudes and matching them with relevant industry skill requirements.

52. Consider the following statements regarding the provisions of the National Food Security Act (NFSA):
I. It covers up to 75% of the rural population and up to 50% of the urban population.
II. It guarantees heavily subsidized food grains to Priority Households.
III. Pregnant women and lactating mothers are entitled to a maternity benefit under its provisions.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

53. If a government implements a policy to construct rural godowns and cold storages, it is utilizing which approach to reduce poverty?
(A) Long-term human capital formation through specialized skill development
(B) Direct unconditional cash benefit transfers to vulnerable farm households
(C) Agricultural infrastructure creation to prevent distress sale of crops
(D) Guaranteed wage employment creation through local public works programs

54. A major critique of the conventional employment exchange system was its inefficiency.

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(D) Assertion (A) is false but Reason (R) is true.

69. For calculating the unemployment allowance eligibility under the Mukhyamantri Yuva Sambal Yojana, what is the upper age limit for a general category male candidate?
(A) 25 years
(B) 30 years
(C) 35 years
(D) 40 years

70. How does the promotion of 'Micro, Small and Medium Enterprises' (MSMEs) act as a superior strategy for tackling unemployment in developing economies compared to heavy industries?
(A) MSMEs are generally highly labor-intensive and create more jobs per unit of capital invested.
(B) MSMEs require massive foreign direct capital investment while utilizing almost no local manual labor.
(C) MSMEs operate entirely outside statutory controls and completely bypass all environmental regulations.
(D) MSMEs function independently without requiring any foundational infrastructure or banking support.

71. The "Revolving Fund" and "Community Investment Fund" (CIF) are financial support mechanisms specifically provided to:
(A) Startup incubation centers in metropolitan cities
(B) Large corporate farming enterprises
(C) State skill development corporations
(D) Self Help Groups (SHGs) under the NRLM framework

72. Consider the following statements regarding the technological integration in Rajasthan's scheme delivery:
I. The Jan Aadhaar card acts as a single identifier for the family and an individual for all state run schemes.
II. Direct Benefit Transfers can be routed through the Jan Aadhaar linked bank accounts.
III. Jan Aadhaar registration is entirely offline and requires no demographic database.
Which of the statements given above is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

73. Which of the following represents a structural challenge in the Indian agriculture sector that schemes seek to remedy to reduce poverty?
(A) Over-mechanization in farming leading to excess capital accumulation
(B) Complete lack of overall domestic consumer demand for basic food grains
(C) Small and fragmented landholdings that reduce operational economies of scale
(D) An absolute ban on all agricultural product exports by state governments

74. Which of the following is the best example of a "State Supplementary Programme" designed to combat specific regional challenges in Rajasthan?
(A) National Health Mission
(B) Mahatma Gandhi National Rural Employment Guarantee Act
(C) Pradhan Mantri Awas Yojana
(D) Indira Gandhi Shahari Rojgar Guarantee Yojana

75. In the terminology of poverty alleviation schemes, "Capacity Building" refers most closely to:
(A) Enhancing the skills, abilities, and knowledge of individuals and communities to improve their livelihoods.
(B) Building large-scale regional storage warehouses for holding excess government reserve food grains.
(C) Significantly increasing the total institutional financial borrowing limit of the state government.
(D) Expanding the physical structural dimensions and living areas of newly built rural housing units.

76. Consider the following statements regarding the implementation of the National Food Security Act (NFSA) in Rajasthan:
I. Wheat is provided at highly subsidized rates to eligible households.
II. Identification of eligible households is solely the responsibility of the Central Government.
III. It includes provisions for nutritional support to pregnant women and lactating mothers.
IV. The Fair Price Shops (FPS) distribute the subsidized food grains using Point of Sale (PoS) machines.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only

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16. Consider the following statements regarding the Rajasthan Skill and Livelihoods Development Corporation (RSLDC):
I. It acts as the nodal agency for all skill development initiatives in the state.
II. It executes both state-funded and centrally-sponsored skill schemes.
III. It operates strictly without involving private sector training partners.
IV. It was incorporated as a Section 25 (now Section 8) non-profit company.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

17. The process of mapping youth aptitude to available job opportunities, an essential remedy for structural unemployment, is formally known as:
(A) Demographic mapping
(B) Direct benefit mapping
(C) Skill mapping and career counselling
(D) Asset monetization

18. How does industrial promotion fundamentally act as a strategy for reducing general unemployment?
(A) By systematically replacing human manual labour across sectors with modern automated industrial technologies.
(B) By attracting investment that drives the creation of direct and indirect wage employment opportunities.
(C) By significantly increasing the general dependency of the working population on primary agricultural activities.
(D) By strictly limiting urban expansion while focusing exclusively on promoting traditional rural handicrafts.

19. Agricultural reform that focuses on productivity enhancement is considered a poverty-remedy strategy primarily because:
(A) It permanently encourages small farmers to migrate to metropolitan urban cities for factory employment.
(B) It completely converts all marginal rural agricultural lands into dedicated industrial production zones.
(C) It entirely abolishes the long-term institutional need for formal rural credit and banking institutions.
(D) It directly increases the marketable surplus and real income of small and marginal agricultural farmers.

20. Which of the following represents the correct logical sequence of a targeted Direct Benefit Transfer (DBT) execution process?
(A) Beneficiary Identification - Aadhaar Seeding - Fund Sanction - Electronic Transfer to Bank Account
(B) Aadhaar Seeding - Electronic Transfer to Bank Account - Fund Sanction - Beneficiary Identification
(C) Fund Sanction - Beneficiary Identification - Electronic Transfer to Bank Account - Aadhaar Seeding
(D) Electronic Transfer to Bank Account - Fund Sanction - Beneficiary Identification - Aadhaar Seeding

21. Frictional unemployment, which general unemployment reduction strategies must address, is best defined as:
(A) Unemployment resulting from a structural mismatch between available job skills and market demands.
(B) Unemployment caused by a long-term structural decline or technological shift in a specific industry.
(C) The temporary joblessness experienced by individual workers while transitioning between different jobs.
(D) Unemployment due to regular seasonal fluctuations occurring in agricultural and allied harvest seasons.

22. The term "Scheme Convergence" between Central and State governments primarily aims to achieve which of the following?
(A) Eliminating overlapping efforts, avoiding duplication, and maximizing resource efficiency.
(B) Reducing the total budget financial allocation and central expenditure for poverty schemes.
(C) Shifting the entire implementation and operational burden to private non-governmental bodies.
(D) Ensuring that state schemes are completely abolished in favour of unified central schemes.

23. In the context of scheme execution, "last-mile delivery challenges" most accurately refer to:
(A) The strategic formulation of high-level administrative policies at the central

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ANSWERS

1. (C) Generating permanent physical or financial resources that enable sustained future income for the poor
Asset creation serves as a foundational strategy in poverty alleviation by focusing on long-term economic self-reliance rather than short-term relief. By building permanent physical infrastructure or providing financial resources, low-income households gain the means to generate continuous income. This approach reduces vulnerability, enhances productivity, and breaks the intergenerational cycle of poverty through sustainable economic empowerment.

2. (B) Swarnajayanti Gram Swarozgar Yojana (SGSY)
The National Rural Livelihood Mission was launched by restructuring the Swarnajayanti Gram Swarozgar Yojana to refine rural poverty eradication efforts. Implemented by the Ministry of Rural Development, this flagship programme focuses on organizing rural poor households into Self Help Groups. It aims to foster self-employment, enhance financial access, and build sustainable community institutions across rural areas nationwide.

3. (D) Rs. 4,500
Under Rajasthan's Mukhyamantri Yuva Sambal Yojana, eligible unemployed graduates receive monthly financial support to assist during job searches. While male candidates receive four thousand rupees per month, female, transgender, and specially-abled applicants are provided four thousand five hundred rupees monthly. Beneficiaries must also complete mandatory skill training and daily departmental internships to continue receiving this social security allowance.

4. (A) P-3, Q-2, R-4, S-1
Social welfare initiatives target distinct dimensions of socio-economic vulnerability. Mukhyamantri Yuva Sambal Yojana focuses on providing financial allowances and internships to unemployed youth. Deen Dayal Upadhyaya Grameen Kaushalya Yojana emphasizes rural youth skill development. Pradhan Mantri Awas Yojana addresses housing poverty through shelter construction, while the National Food Security Act guarantees subsidized grains to combat hunger and malnutrition.

5. (C) Rajasthan Mission on Livelihoods (RMoL)
The Rajasthan Skill and Livelihoods Development Corporation originated as the Rajasthan Mission on Livelihoods in 2004. Established to formulate strategies for employment generation and address poverty, it was later incorporated as a non-profit company under Section 25 of the Companies Act, 1956. It serves as the primary nodal body for coordinating skill development across Rajasthan.

6. (B) 70% of all trained candidates must be placed in wage employment.
The Deen Dayal Upadhyaya Grameen Kaushalya Yojana mandates that training partners place at least seventy percent of successfully trained candidates in formal wage employment. This demand-driven skill training initiative specifically targets poor rural youth, linking skill acquisition directly to sustainable income-generating opportunities and requiring mandatory post-placement tracking to guarantee long-term economic stability for beneficiaries.

7. (D) Guaranteeing government jobs for the founders of failed startups
Rajasthan's iStart policy is designed to foster entrepreneurship and innovation by providing an integrated startup ecosystem. Its core objectives include offering incubation infrastructure, mentorship, seed funding access, and regulatory support for emerging entrepreneurs. It does not provide public sector employment guarantees or civil service jobs for individuals whose commercial startup ventures fail to achieve business viability.

8. (C) Assertion (A) is true but Reason (R) is false.
Direct Benefit Transfer enhances the efficiency of poverty alleviation programmes by directly depositing financial entitlements into verified bank accounts, thereby minimizing leakages and administrative intermediaries. However, this system relies heavily on Aadhaar-based biometric identification and bank account linkage for seamless transaction verification. Consequently, claims suggesting that biometric authentication

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grains. This digital authentication prevents identity fraud, eliminates duplicate ration cards and ghost beneficiaries, and guarantees that food subsidies reach genuine households.

26. (D) To provide startups with workspace, mentorship, and initial networking opportunities.
Business incubation centers support early-stage startups during their vulnerable formation phases. They provide essential infrastructure, high-speed connectivity, office space, technical guidance, and professional mentorship. Additionally, incubators facilitate networking with potential venture capital investors and industry leaders, helping nascent enterprises develop viable business models and achieve commercial sustainability in competitive markets.

27. (A) Non-corporate, non-farm small and micro-enterprises
The Pradhan Mantri Mudra Yojana extends formal institutional credit to non-corporate, non-farm micro and small enterprises. By providing collateral-free loans across Shishu, Kishor, and Tarun categories, the scheme supports small shopkeepers, artisans, micro-manufacturers, and service providers. This financial intervention promotes self-employment, fosters local entrepreneurship, and generates grassroots wage employment opportunities.

28. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The National Food Security Act functions as a key poverty alleviation mechanism by providing legal entitlements for subsidized food grains to a majority of the population. By reducing household out-of-pocket expenditure on essential food items, the policy protects real household disposable income. This enables low-income families to allocate financial resources toward education, healthcare, and savings.

29. (B) Women's Self Help Groups (SHGs) and their federations
The National Rural Livelihood Mission is premised on the belief that rural poor individuals possess innate capabilities that can be realized through collective organization. It utilizes women's Self Help Groups and higher-level community federations as primary institutional vehicles. These organizations enable poor households to build financial savings, access microcredit, gain skill training, and achieve sustainable self-employment.

30. (A) A fixed minimum threshold of income or consumption expenditure required to meet basic necessities.
An absolute poverty line is a fixed economic threshold representing the minimum monetary expenditure required to purchase basic human necessities, including food, clean water, shelter, clothing, and health services. Households living below this specified consumption level are classified as living in poverty, allowing policymakers to measure baseline deprivation independently of general income distribution.

31. (B) 2 years or until employment is secured, whichever is earlier
Under Rajasthan's Mukhyamantri Yuva Sambal Yojana, eligible unemployed graduates receive monthly financial support for a maximum period of two years or until they secure formal employment or self-employment, whichever occurs earlier. Beneficiaries must satisfy annual renewal requirements, participate in skill development training, and complete mandatory departmental internships to maintain continuous eligibility.

32. (C) I and III only
The Deen Dayal Upadhyaya Grameen Kaushalya Yojana is a placement-linked skill development scheme targeting rural youth aged fifteen to thirty-five from poor households. Operating as a centrally sponsored scheme under the Ministry of Rural Development, funding costs are shared between the Central and State governments, making claims of exclusive state funding inaccurate.

33. (C) Q-Rate
Q-Rate is a comprehensive assessment and rating framework introduced under Rajasthan's startup policy to evaluate emerging startups. It assesses startups across parameters like business potential, team capability, product innovation, and market viability. This standardized scorecard helps investors, government bodies, and incubators identify promising ventures and provide structured funding and institutional support.

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employment avenues, ultimately enhancing labor efficiency and reducing structural unemployment rates.

18. (B) By attracting investment that drives the creation of direct and indirect wage employment opportunities.
Promoting industrial growth drives regional economic expansion by attracting private and public capital investment. The establishment of manufacturing units, industrial parks, and service enterprises generates direct operational jobs while fostering indirect employment in logistics, supply chains, and local trade. This structural expansion absorbs excess agricultural labor, generating sustainable wage employment and alleviating general unemployment.

19. (D) It directly increases the marketable surplus and real income of small and marginal agricultural farmers.
Enhancing agricultural productivity through improved irrigation, quality seeds, and modern farming techniques increases crop yields on small farm holdings. This generates a higher marketable surplus, raising real farm incomes and protecting rural households from price volatility. Higher agricultural returns reduce rural economic distress, stimulate regional market demand, and effectively act as a self-sustaining poverty alleviation strategy.

20. (A) Beneficiary Identification - Aadhaar Seeding - Fund Sanction - Electronic Transfer to Bank Account
The Direct Benefit Transfer process follows a structured administrative sequence to ensure secure fund delivery. It begins with identifying eligible beneficiaries through standard eligibility criteria, followed by seeding Aadhaar numbers with bank accounts for precise verification. Once administrative fund sanction is completed, benefits are electronically transferred directly into the verified bank accounts of targeted recipients.

21. (C) The temporary joblessness experienced by individual workers while transitioning between different jobs.
Frictional unemployment occurs when individuals experience temporary periods of joblessness while transitioning between employment positions or searching for new career opportunities. It arises due to normal time lags in job search processes, information asymmetry, and recruitment timelines. Unlike structural unemployment, it is short-term and reflects natural mobility within an active labor market.

22. (A) Eliminating overlapping efforts, avoiding duplication, and maximizing resource efficiency.
Scheme convergence integrates multiple developmental programs and funding streams across central and state government departments. By pooling resources, coordinating administrative execution, and eliminating redundant efforts, convergence optimizes public spending. This structural synergy ensures that welfare benefits are delivered comprehensively to targeted populations without operational duplication or fiscal inefficiency across overlapping administrative jurisdictions.

23. (D) Implementation gaps preventing benefits from reaching the intended beneficiary at the grassroots level.
Last-mile delivery challenges refer to operational and administrative bottlenecks that prevent government policies, subsidies, and welfare services from successfully reaching targeted beneficiaries at the village or grassroots level. These hurdles commonly include infrastructural deficits, inadequate digital connectivity, procedural delays, and corruption, which impede the effective execution of social welfare initiatives in remote areas.

24. (A) P-4, Q-1, R-2, S-3
Key administrative frameworks in Rajasthan manage specific developmental domains. iStart promotes innovation and startup ecosystems. The Rajasthan Skill and Livelihoods Development Corporation delivers vocational skilling and employment programs. The Jan Aadhaar Authority maintains unified resident demographic data to facilitate welfare delivery, while the Rajasthan State Industrial Development and Investment Corporation develops industrial infrastructure across the state.

25. (C) By enabling biometric authentication to eliminate ghost beneficiaries and duplicate ration cards.
Integrating Aadhaar biometric verification into the Public Distribution System enhances transparency and operational integrity. Point of Sale devices at fair price shops verify the identity of beneficiaries before releasing subsidized food

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socio-economic strata to reduce general societal poverty.

59. (B) 15 to 59 years
In standard demographic and labor economic mapping in India, the working age population is officially defined as individuals aged fifteen to fifty-nine years. This demographic cohort represents the potential workforce available for gainful economic activity, wage employment, and wealth generation, forming the statistical basis for calculating labor force participation and national employment metrics.

60. (B) Formation of SHGs → Formation of Village Organizations (VO) → Formation of Cluster Level Federations (CLF)
The institutional architecture under the National Rural Livelihood Mission follows a bottom-up federated model. It begins with organizing poor rural women into primary Self Help Groups at the neighborhood level. These SHGs integrate to form Village Organizations at the village tier, which subsequently join together to form Cluster Level Federations for larger financial scaling.

61. (B) A non-existent or deceased individual in whose name welfare benefits are fraudulently claimed.
A ghost beneficiary refers to a fake, non-existent, or deceased individual entry maintained in official subsidy distribution records to illegitimately claim welfare grants. Linking welfare databases with Aadhaar biometric seeding enables authorities to verify recipient identities during benefit distribution, effectively identifying fictitious entries, preventing public fund leakages, and ensuring scheme resources target real beneficiaries.

62. (A) Rural youth from poor families aged 15 to 35 years
The Deen Dayal Upadhyaya Grameen Kaushalya Yojana focuses on poor rural youth aged fifteen to thirty-five years, with an extended upper age relaxation for vulnerable groups such as women, disabled individuals, and primitive tribal communities. The scheme aims to transform rural youth into economically self-reliant workers by delivering demand-driven skill training linked to guaranteed wage placement.

63. (C) Imposition of high customs tariffs on imported luxury cars
Direct Benefit Transfer, Aadhaar biometric verification, and Jan-Dhan zero-balance accounts are core components of India's targeted welfare delivery and financial inclusion strategy aimed at direct poverty alleviation. Conversely, imposing high import tariffs on luxury automobiles represents a trade policy trade-barrier mechanism designed to protect domestic car manufacturing or collect tax revenue, serving a distinct macroeconomic role.

64. (A) P-2, Q-4, R-3, S-1
Key national and state schemes address specific developmental needs. MGNREGA provides guaranteed wage employment for rural households. Deen Dayal Upadhyaya Grameen Kaushalya Yojana focuses on vocational skilling and wage placement for rural youth. The National Food Security Act ensures direct food security through subsidized grain distribution, while iStart offers comprehensive incubator and funding support for emerging startups.

65. (C) Political Participation
The Multidimensional Poverty Index evaluates acute poverty across three central dimensions: Health, Education, and Standard of Living. Measured using ten indicators such as nutrition, child mortality, years of schooling, cooking fuel, sanitation, and drinking water, the index captures overlapping deprivation experienced by households. Political participation, while important for civic governance, is not an indicator within this framework.

66. (B) Non-eligible, wealthier individuals wrongly receive scheme benefits intended for poor.
Inclusion errors occur in social welfare schemes when non-eligible, relatively affluent households are erroneously included in beneficiary lists and receive state subsidies meant for underprivileged populations. These targeting errors dilute scheme resources, increase fiscal expenditure, and reduce overall policy effectiveness. Conversely, exclusion errors occur when genuine deserving poor households are mistakenly excluded from welfare entitlements.

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34. (B) Distributing physical bicycles and laptops through local schools
The Direct Benefit Transfer framework emphasizes sending monetary entitlements electronically into bank accounts to reduce leakage and improve transparency. In-kind distribution of physical items, such as bicycles or laptops through educational institutions, represents direct material delivery rather than electronic fund transfers. Consequently, physical commodity distribution operates as an exception to the digital financial mechanism.

35. (D) To electronically track the physical and financial progress of individual house construction work.
AwaasSoft and AwaasApp are specialized web-based management information systems and mobile applications used in implementing the Pradhan Mantri Awas Yojana - Gramin. They allow authorities to electronically monitor construction stages through geo-tagged photographs, track installment disbursements, and maintain transparent records of beneficiary payments, thereby reducing implementation bottlenecks and administrative delays.

36. (B) I, III, and IV only
Under Pradhan Mantri Awas Yojana - Gramin, beneficiary identification relies on SECC 2011 data verified by Gram Sabhas. The scheme prescribes a minimum dwelling size of twenty-five square meters with hygienic cooking space and emphasizes female ownership. Funds are released in multiple linked installments based on physical construction milestones rather than a single upfront transfer.

37. (C) To provide branchless banking services on behalf of a financial bank at the village level.
Business Correspondents or Bank Mitras serve as vital financial intermediaries in remote rural areas where formal bank branches are absent. Operating on behalf of commercial banks, they utilize handheld biometrically enabled devices to facilitate cash deposits, withdrawals, fund transfers, and account opening, expanding financial inclusion and delivering banking services directly to rural households.

38. (A) The actual improvement in the socio-economic status and sustained livelihoods of the beneficiaries.
Outcome tracking measures the actual long-term socio-economic impact and developmental changes produced by public schemes, such as income enhancement, improved living standards, or poverty reduction. In contrast, output tracking focuses on immediate operational deliverables like the amount of money spent, training centers established, or total beneficiary applications processed by administrative bodies.

39. (D) Mukhyamantri Yuva Sambal Yojana
The Mukhyamantri Yuva Sambal Yojana in Rajasthan serves as a bridging support mechanism for educated unemployed youth. By providing monthly financial allowances alongside mandatory skill training and internships, the scheme offers economic relief during the transitional period while beneficiaries seek permanent employment, enhancing their qualifications and overall market employability across economic sectors.

40. (A) 1, 4, 3, 2
The skill training lifecycle under RSLDC follows a structured operational sequence. It begins with candidate mobilization and career counselling to assess aptitude. Next, core vocational skill training is delivered, followed by formal skill assessment and certification. Finally, post-placement tracking is conducted to monitor candidates' wage employment stability and continuous professional progress.

41. (C) Construction of a permanent village water conservation pond
Asset creation under MGNREGA focuses on constructing durable physical structures that support rural production and environmental sustainability. Building a permanent village water conservation pond enhances local groundwater recharge, provides irrigation resources, and mitigates drought risks. Such community assets strengthen agricultural security, boost rural productivity, and generate long-term livelihood support beyond temporary wage employment.

42. (D) Jan-Dhan, Aadhaar, Mobile
The JAM Trinity refers to the integration of Jan-Dhan financial accounts, Aadhaar biometric identities, and Mobile connectivity. This technological framework forms the foundation

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and bank accounts are unnecessary for operating this system are incorrect.

9. (C) It provides a pucca house with basic amenities to all houseless households and those in dilapidated houses.
The Pradhan Mantri Awas Yojana - Gramin targets multidimensional poverty by providing financial aid to houseless rural families and those living in kutcha or dilapidated structures. By enabling the construction of permanent pucca houses equipped with essential facilities like sanitation, clean drinking water, and electricity, the scheme enhances living standards, security, and social dignity for underprivileged households.

10. (C) 35 kg
Under the National Food Security Act, households covered by the Antyodaya Anna Yojana represent the poorest of the poor and are entitled to thirty-five kilograms of food grains per family per month. Other eligible priority households receive five kilograms of food grains per person per month at subsidized central issue prices, ensuring food security across vulnerable populations.

11. (A) Both Statement I and Statement II are correct.
Financial inclusion expands formal banking access, savings instruments, and institutional credit to low-income and vulnerable populations at affordable costs. By integrating underprivileged individuals into the regulated financial system, it provides safe capital avenues and protects them from predatory informal moneylenders, thereby mitigating debt traps and encouraging long-term household economic stability and development.

12. (A) I and II only
The Mukhyamantri Yuva Sambal Yojana in Rajasthan requires applicants to be bona fide residents of the state and hold a graduation degree from a recognized university. Active government employees are strictly ineligible for this financial assistance, as the program specifically targets unemployed graduates seeking employment opportunities and undergoing mandatory skill internships to improve employability.

13. (B) National Career Service (NCS) portal
The National Career Service portal is a digital initiative launched to modernize national employment exchanges. It connects job seekers, employers, training providers, and career counsellors on a single online platform. By offering automated job-matching, skill mapping, and career guidance, the system streamlines labor market efficiency and bridges structural employment information gaps across various regions.

14. (A) They offer guaranteed wage employment while simultaneously creating durable rural infrastructure.
Public works programmes like the Mahatma Gandhi National Rural Employment Guarantee Act address rural deprivation through a dual mechanism. They provide guaranteed wage labor to unskilled workers during lean agricultural periods, offering immediate income support. Simultaneously, they construct community assets such as water conservation structures, check dams, and roads, boosting long-term agricultural productivity.

15. (C) Inability to provide traditional collateral for formal bank loans
The SHG-Bank Linkage Programme addresses credit accessibility for the rural poor who lack formal collateral property. By grouping individuals into Self Help Groups, the program uses social collateral and collective peer pressure to secure institutional microcredit. This facilitates micro-enterprise development, mitigates reliance on high-interest informal lenders, and promotes sustainable financial inclusion across marginalized communities.

16. (B) I, II, and IV only
The Rajasthan Skill and Livelihoods Development Corporation serves as the primary state agency executing both central and state skilling initiatives. Incorporated as a non-profit company under Section 25 of the Companies Act, 1956, it actively collaborates with private sector training providers, industrial institutions, and corporate entities to implement demand-driven vocational programs for unemployed local youth.

17. (C) Skill mapping and career counselling
Skill mapping and career counselling involve systematically assessing an individual's capabilities, educational qualifications, and personal aptitude to align them with market requirements. This process helps rectify structural imbalances in the labor market by directing job seekers toward suitable training programs and

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ensures targeted welfare delivery, and minimizes administrative leakages through centralized digital record management.

51. (D) Identifying their specific aptitudes and matching them with relevant industry skill requirements.
Skill mapping evaluates an individual candidate's technical competencies, practical abilities, and natural aptitudes to identify baseline strengths and skill deficits. By matching these personal attributes with evolving labor market demand, skill mapping helps direct job seekers toward customized vocational training programs. This alignment bridges employability gaps, reduces skill mismatches, and facilitates sustainable wage placement.

52. (D) I, II and III
The National Food Security Act legally mandates coverage for up to seventy-five percent of the rural population and fifty percent of urban residents. It guarantees subsidized grains to Priority Households and Antyodaya Anna Yojana beneficiaries. Additionally, the Act includes statutory provisions for free nutritious meals and financial maternity benefits for pregnant and lactating mothers.

53. (C) Agricultural infrastructure creation to prevent distress sale of crops
Constructing rural godowns and cold storage facilities provides essential post-harvest agricultural infrastructure. These facilities allow small and marginal farmers to safely store perishable crops and delay sales until market prices stabilize, preventing forced distress sales immediately after harvest. Safeguard measures like storage infrastructure improve farm realizations, stabilize agricultural income, and serve as an effective poverty reduction mechanism.

54. (A) Digital job-matching platforms that connect job seekers, employers, and training providers in real-time.
Modernizing conventional employment exchanges centers on deploying digital job-matching platforms like the National Career Service. These online portals connect job seekers, corporate employers, skill training institutes, and career counselors in real time. By digitizing candidate profiles and automating vacancy listings, the system reduces information asymmetry, improves transparency, and accelerates labor market recruitment across various sectors.

55. (D) Absolute poverty occurs when basic survival needs are unmet, whereas relative poverty refers to falling behind average societal standards.
Absolute poverty denotes a fixed socio-economic condition where an individual or household lacks sufficient income or resources to satisfy baseline physical survival needs, such as nutrition, housing, and clean water. Conversely, relative poverty measures economic inequality by evaluating a household's income level in comparison to the broader social standard of living within a specific national economy.

56. (B) I, III, and IV only
Microfinance empowers low-income households by providing small-scale collateral-free loans, encouraging disciplined savings habits, and supporting micro-entrepreneurship. It relies on peer pressure and collective responsibility within Self Help Groups to ensure high loan recovery rates. However, microfinance specifically targets small micro-enterprises and self-employed individuals rather than financing large-scale heavy industrial ventures.

57. (C) It develops industrial areas and infrastructure, thereby attracting commercial enterprises that create localized jobs.
The Rajasthan State Industrial Development and Investment Corporation drives employment creation by planning, developing, and managing industrial areas across Rajasthan. By constructing essential infrastructure, acquiring land, and providing financial facilitation, RIICO attracts private investments and commercial manufacturing enterprises. This industrial expansion generates direct factory jobs and indirect employment in trade, transport, and support services.

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58. (D) Overall economic and industrial growth will eventually benefit all sections of society, including the poor.
The trickle-down theory posits that overall economic growth, capital investment, and industrial expansion benefit lower-income groups indirectly over time. According to this model, wealth generated in key economic sectors creates employment opportunities, increases market demand, and drives higher wages, ultimately diffusing financial benefits down through the

of direct benefit transfers in India. It enables government agencies to accurately target beneficiaries, eliminate middleman leakages, verify identities digitally, and deliver monetary welfare subsidies directly into recipient bank accounts.

43. (A) More people are engaged in an agricultural activity than are actually required for optimal production.
Disguised unemployment occurs when more workers are employed in an economic activity, particularly family farming, than are structurally required. In this scenario, the marginal productivity of additional labor is zero or near zero. Removing excess workers does not reduce total agricultural output, highlighting hidden labor redundancy and contributing to persistent rural income stagnation.

44. (A) P-3, Q-2, R-4, S-1
Key economic concepts reflect specific labor and financial mechanisms. Frictional unemployment represents the temporary lag experienced while switching between jobs. Structural unemployment stems from a mismatch between available worker skills and market demand. Direct Benefit Transfer delivers welfare subsidies straight into bank accounts, whereas Microfinance provides small credit and financial services to low-income clients.

45. (B) Rajasthan Startup Policy
The Rajasthan Startup Policy provides a comprehensive framework designed to nurture innovative enterprises and tech startups. It offers plug-and-play workspace facilities, incubation centers, common testing infrastructure, seed capital, and networking opportunities. By easing regulatory compliance and offering operational incentives, the policy fosters an active entrepreneurial ecosystem, driving technology commercialization and generating employment across the state.

46. (A) Undertake a 4-hour daily internship in a government department.
Guidelines under Rajasthan's Mukhyamantri Yuva Sambal Yojana mandate that beneficiaries receiving the unemployment allowance undergo mandatory four-hour daily internships in designated government departments or public offices. This requirement combines financial assistance with practical work exposure, enhancing beneficiaries' administrative skills, work ethics, and practical experience to improve their long-term employability in formal job markets.

47. (C) The five core operational practices: regular meetings, savings, internal lending, repayment, and bookkeeping.
Panchasutra represents the five fundamental operational principles governing Self Help Groups under the National Rural Livelihood Mission. These practices include holding regular group meetings, maintaining consistent member savings, facilitating internal credit lending, ensuring timely loan repayments, and maintaining accurate bookkeeping financial records. Adherence to these principles guarantees financial discipline, transparency, and long-term organizational sustainability.

48. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Scheme convergence between central and state governments enhances public administration by aligning policy planning and operational implementation. Pooling financial resources, administrative manpower, and physical infrastructure avoids redundant expenditure and administrative duplication. This coordinated strategy optimizes government interventions, expands geographic and demographic reach, and ensures efficient welfare delivery to targeted beneficiary groups across regions.

49. (C) National Health Mission (NHM)
The National Health Mission focuses on providing accessible, affordable, and quality healthcare services, improving maternal and child health, and controlling communicable and non-communicable diseases nationwide. Unlike MGNREGA, DDU-GKY, or NRLM, which are specifically designed to address wage employment, vocational skilling, and rural livelihood creation, NHM operates primarily as a public healthcare infrastructure initiative.

50. (B) Jan Aadhaar
Jan Aadhaar serves as a unified family demographic database and delivery platform in Rajasthan. By issuing a single family and individual identifier card, it simplifies beneficiary verification across various social security, healthcare, and financial assistance schemes. The platform enables direct benefit transfers,

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67. (D) It mandated that the eldest female member be recognized as the head of the family for receiving scheme welfare benefits.
The Bhamashah Yojana in Rajasthan pioneered administrative gender empowerment by designating the eldest adult female member as the official head of the household for scheme enrollment. Welfare cash benefits, pensions, and non-cash entitlements were directly linked to her bank account, promoting financial autonomy for women, enhancing domestic decision-making power, and establishing a model for subsequent state benefit schemes.

68. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Microfinance serves as a powerful instrument for empowering women in rural areas by extending small loans without requiring traditional asset collateral. Providing independent access to financial resources and self-employment opportunities increases women's household income contributions. This financial independence elevates their socio-economic status, boosts confidence, and strengthens their decision-making role within family and community spheres.

69. (B) 30 years
Under the Mukhyamantri Yuva Sambal Yojana guidelines in Rajasthan, the maximum age limit for general category male applicants seeking unemployment allowance is thirty years at the time of application. For female candidates, candidates belonging to reserved categories, and specially-abled applicants, the upper age limit is relaxed up to thirty-five years to expand social security support.

70. (A) MSMEs are generally highly labor-intensive and create more jobs per unit of capital invested.
Micro, Small and Medium Enterprises play a vital role in tackling unemployment because they are highly labor-intensive and require lower capital investment per job generated compared to heavy industries. Operating across diverse regional sectors, MSMEs absorb unskilled and semi-skilled local workers, promote rural industrialization, foster entrepreneurship, and distribute economic opportunities more equitably across developing national economies.

71. (D) Self Help Groups (SHGs) under the NRLM framework
The Revolving Fund and Community Investment Fund are catalytic capital mechanisms provided to Self Help Groups under the National Rural Livelihood Mission. The Revolving Fund helps establish internal savings and lending discipline within nascent groups, while the Community Investment Fund provides financial capital to group federations, enabling members to undertake income-generating micro-enterprises and reduce reliance on expensive informal credit.

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72. (A) I and II only
In Rajasthan, Jan Aadhaar serves as a unified digital identifier for families and individual residents across state welfare schemes. It facilitates Direct Benefit Transfer payments straight into verified linked bank accounts. Because Jan Aadhaar relies entirely on a centralized online demographic database and continuous digital verification, claims describing it as an offline non-demographic system are incorrect.

73. (C) Small and fragmented landholdings that reduce operational economies of scale
Small and fragmented agricultural landholdings represent a primary structural bottleneck limiting farm productivity and rural prosperity in India. Excessive land division due to generational inheritance reduces operational economies of scale, hinders modern agricultural mechanization, and lowers capital investment efficiency. Consequently, low crop yields and depressed farm incomes perpetuate rural poverty across smallholder agrarian communities.

74. (D) Indira Gandhi Shahari Rojgar Guarantee Yojana
The Indira Gandhi Shahari Rojgar Guarantee Yojana is a state-specific supplementary programme introduced by Rajasthan to guarantee urban wage employment. While MGNREGA provides employment exclusively in rural areas nationwide, this state initiative addresses urban distress by offering hundred days of guaranteed wage employment annually to urban households, strengthening economic security and local municipal infrastructure.

75. (A) Enhancing the skills, abilities, and knowledge of individuals and communities to improve their livelihoods.
Capacity building in poverty alleviation strategies refers to systematic interventions that enhance the skills, knowledge, organizational capabilities, and administrative resources of individuals and grassroots institutions. By providing technical training, leadership development, and managerial guidance, capacity building empowers marginalized communities to establish sustainable micro-enterprises, access financial credit, manage local developmental projects, and achieve long-term economic independence.

76. (B) I, III, and IV only
In Rajasthan, the National Food Security Act provides highly subsidized wheat to eligible priority and Antyodaya households. The state executes grain distribution through Fair Price Shops utilizing automated Point of Sale machines. NFSA also includes statutory nutritional support for pregnant and lactating mothers. However, identifying beneficiary households is a state responsibility rather than an exclusive central government function.

77. (B) The increase in economic growth resulting from a shift in a population's age structure, specifically a larger working-age population.
The demographic dividend refers to economic growth potential resulting from shifts in a country's population age structure, specifically when the proportion of working-age individuals exceeds the dependent age population. Employment and skill development schemes aim to harness this demographic dividend by equipping young workers with market-relevant skills, expanding job creation, and accelerating national economic productivity and development.

78. (A) An evaluation of the scheme's execution and financial records collectively by the local community or Gram Sabha.
Social audit is a participatory monitoring mechanism where local beneficiaries, Gram Sabha members, and community stakeholders collectively examine official program records, financial expenditures, and asset quality. By scrutinizing implementation progress at the grassroots level, social audits enhance administrative transparency, enforce institutional accountability, expose corruption, and ensure that scheme resources directly benefit designated target groups.

79. (C) Productive physical asset
When an individual acquires equipment such as a sewing machine using a subsidized self-employment loan, the machinery serves as a productive physical asset. Unlike non-productive consumables, a physical capital asset generates continuous goods and services, creates regular self-employment income, builds household wealth, and transforms microcredit into sustained economic independence and long-term financial stability.

80. (A) 2, 4, 3, 1
A comprehensive poverty alleviation strategy progresses through a structured developmental sequence. It begins with providing immediate relief, such as subsidized food, to address basic survival needs. Next, beneficiaries undergo skill training and capacity building to enhance capabilities. This is followed by asset creation and microfinance support, ultimately leading to sustainable long-term income generation and economic independence.

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CHAPTER 24

Social Justice and Empowerment of Weaker Sections

1. Which of the following Articles of the Indian Constitution directly directs the State to promote with special care the educational and economic interests of the weaker sections of the people, and in particular, of the Scheduled Castes and the Scheduled Tribes?
(A) Article 15(4)
(B) Article 46
(C) Article 16(4)
(D) Article 335

2. Consider the distinction between Article 15(4) and Article 16(4) of the Indian Constitution. Which of the following statements is correct?
(A) Both Articles explicitly mention the reservation of seats in the Parliament and State Legislatures.
(B) Article 16(4) was added by the 1st Constitutional Amendment Act, while Article 15(4) was part of the original Constitution.
(C) Neither Article requires the target group to be socially and educationally backward.
(D) Article 15(4) relates to special provisions including educational advancement, while Article 16(4) specifically relates to the reservation of appointments or posts in state services.

3. Consider the following statements regarding the constitutional framework for the empowerment of weaker sections:
I. Article 17 abolishes untouchability and forbids its practice in any form.
II. Article 23 explicitly prohibits discrimination on grounds only of religion, race, caste, sex, or place of birth in public employment.
III. Article 38 mandates the State to secure a social order for the promotion of the welfare of the people and to minimize inequalities in income.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

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4. The 103rd Constitutional Amendment Act introduced a 10% reservation for Economically Weaker Sections (EWS). Which of the following groups is explicitly excluded from the scope of this new EWS reservation framework?
(A) Persons currently holding any government job
(B) Persons belonging to unreserved categories with an annual family income above the specified threshold
(C) Persons already covered under the existing schemes of reservation for SCs, STs, and OBCs
(D) Persons owning agricultural land below five acres

5. Consider the following assertion and reason regarding reservation in public employment:
Assertion (A): The Supreme Court of India established a 50 percent ceiling on overall reservations in public employment in the Indra Sawhney case (1992).
Reason (R): The Court ruled that Article 16(4) speaks of adequate representation and is an exception to the rule of equality, hence reservation should not become the general rule overshadowing merit.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

6. The "creamy layer" concept, which excludes advanced sections among the backward classes from the benefits of reservation, is primarily applicable to which of the following categories in the current constitutional framework?
(A) Scheduled Castes

R. Directorate of Specially Abled Persons
S. Rajasthan State Commission for Women

List II: (Target Groups)

1. Persons with visual and hearing impairments
2. Scheduled Tribes in designated areas
3. Muslims, Sikhs, Christians, Buddhists, Parsis, and Jains
4. Female victims of domestic violence and workplace harassment

(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-1, Q-2, R-3, S-4

50. Bureaucratic delays in the delivery of social justice schemes often stem from systemic inefficiencies. Which of the following is universally considered the primary administrative cause for delays in sanctioning pensions to weaker sections?
(A) Insufficient allocation of central government funds in annual budgets
(B) Inadequate digital literacy and technological access among applicants
(C) Rapid and frequent shifts in the demographic profile of local populations
(D) Complex multi-layered verification and approval procedures

51. The Sahariya Development Project in Rajasthan is a targeted area development program specifically focused on the Sahariya tribe. In which district of Rajasthan is this project predominantly implemented?
(A) Baran
(B) Dungarpur
(C) Banswara
(D) Udaipur

52. Consider the following statements regarding the institutional mechanisms for women's rights:
Statement I: The National Commission for Women investigates matters related to the safeguards provided for women under the Constitution.
Statement II: The State Commissions for Women function strictly as subordinate branches of the National Commission for Women and cannot take suo-moto cognizance of cases.
Which of the above statement(s) is/are correct?
(A) Statement I is correct but Statement II is incorrect.
(B) Statement I is incorrect but Statement II is correct.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

53. To be eligible for the Post-Matric Scholarship scheme for SC/ST students in Rajasthan, the annual income of the student's parents/guardians from all sources should generally not exceed what limit (as per standard recent norms)?
(A) Rs. 1.00 Lakh
(B) Rs. 1.50 Lakh
(C) Rs. 2.50 Lakh
(D) Rs. 8.00 Lakh

54. Identify the correct statement regarding the 'Stand Up India' scheme, which operates at the intersection of economic empowerment and social justice.
(A) It provides bank loans strictly between 10,000 and 50,000 rupees to street vendors.
(B) It provides direct cash transfers to landless agricultural laborers for purchasing seeds.
(C) It is an exclusive scholarship scheme for minority students pursuing management degrees.
(D) It facilitates bank loans between 10 lakh and 1 crore rupees to at least one SC or ST borrower and at least one woman borrower per bank branch.

55. Consider the following statements regarding the implementation of minority welfare schemes in Rajasthan:
I. The Chief Minister Anuprati Coaching Scheme covers minority students along with SC/ST/OBC categories.
II. The Rajasthan Minorities Finance and Development Co-operative Corporation limits its loans solely to agricultural activities.
III. Minority communities recognized for state schemes include Muslims, Christians, Sikhs, Buddhists, Parsis, and Jains.
IV. The state has established a separate Department of Minority Affairs to oversee these specialized initiatives.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

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III. Children of widowed mothers and children of parents suffering from Silicosis or HIV/AIDS are also eligible under this scheme.
IV. The scheme provides a one-time lump sum grant when the child turns 18, with no monthly allowance given before that age.

Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

14. The Mukhyamantri Kanyadaan Yojana (formerly Hathlewa Yojana) in Rajasthan is primarily aimed at providing financial assistance for which of the following events?
(A) The birth of a female child in a family below the poverty line
(B) The admission of a girl student to a higher education institution
(C) The marriage of girls from SC, ST, Minority, and BPL families
(D) The establishment of a micro-enterprise unit by an adult woman

15. The Chief Minister Anuprati Coaching Scheme in Rajasthan was launched with which of the following specific objectives?
(A) To provide subsidized specialized sports training and coaching to tribal youth
(B) To train marginalized rural women in fundamental IT and digital computer skills
(C) To offer certified vocational skill development training to rural school dropouts
(D) To assist students from weaker sections in preparing for competitive examinations

16. Consider the following statements regarding the Tribal Sub-Plan (TSP) area provisions in Rajasthan:
Statement I: Special reservation quotas in government employment are exclusively earmarked for the local Scheduled Tribe candidates within the notified TSP areas of Rajasthan.
Statement II: The TSP areas in Rajasthan cover the entire geographical extent of the state without specific district limitations.
Which of the above statement(s) is/are correct?
(A) Statement I is correct but Statement II is incorrect.
(B) Statement I is incorrect but Statement II is correct.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

17. Consider the following assertion and reason regarding social security measures for vulnerable women in Rajasthan:
Assertion (A): The Mukhyamantri Ekal Nari Samman Pension Yojana provides social security specifically to widows, divorced, and abandoned women in Rajasthan.
Reason (R): Women in these categories often face severe economic vulnerability and social exclusion, necessitating targeted state intervention for their livelihood support.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

18. Four institutional bodies are given below. Identify the odd one out based on their constitutional or statutory status.
(A) National Commission for Scheduled Castes
(B) National Commission for Scheduled Tribes
(C) National Commission for Backward Classes
(D) National Commission for Women

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19. Consider the following statements regarding the implementation of the reservation system in Rajasthan state services:
I. The reservation quota for Other Backward Classes (OBC) is currently set at 21 percent.
II. The reservation quota for Scheduled Tribes (ST) is currently set at 16 percent.
III. There is a separate reservation provision of 5 percent for the More Backward Classes (MBC).

Which of the above statement(s) is/are incorrect?
(A) I only
(B) II only
(C) III only
(D) I and III only

20. Under the current reservation policy in Rajasthan State Subordinate and Ministerial Services, what is the exact percentage of seats reserved for candidates belonging to the Scheduled Castes (SC)?
(A) 12 percent
(B) 14 percent
(C) 16 percent

(B) Scheduled Tribes
(C) Economically Weaker Sections
(D) Other Backward Classes

7. According to the standard implementation of the EWS reservation quota in Rajasthan, what is the primary criteria used to identify the beneficiary family besides not being covered under SC, ST, or OBC reservations?
(A) The educational qualification and employment status of the family head
(B) Gross annual family income and specific asset ownership thresholds
(C) Gross annual family income derived exclusively from agricultural sources
(D) The permanent geographical location and domicile status of the family

8. Arrange the following milestones related to the institutional framework for weaker sections in chronological order:
I. The appointment of the First Backward Classes Commission (Kalelkar Commission).
II. The Constitution (One Hundred and Third Amendment) Act introducing EWS reservation.
III. The Constitution (Eighty-Ninth Amendment) Act bifurcating the NCSC and NCST.
IV. The appointment of the Second Backward Classes Commission (Mandal Commission).
Select the correct order from the options below:
(A) I, IV, III, II
(B) I, III, IV, II
(C) IV, I, III, II
(D) I, IV, II, III

9. Article 335 of the Indian Constitution stipulates that the claims of the members of the Scheduled Castes and the Scheduled Tribes shall be taken into consideration, consistently with which of the following principles?
(A) The absolute numerical strength of the population
(B) The financial capacity of the state exchequer
(C) The historical disadvantage suffered by these communities
(D) The maintenance of efficiency of administration

10. Match the Constitutional Articles in List I with their respective provisions regarding institutional mandates in List II:
List I: (Articles)
P. Article 338
Q. Article 338A
R. Article 338B
S. Article 340
List II: (Provisions)
1. National Commission for Backward Classes
2. Appointment of a Commission to investigate the conditions of backward classes
3. National Commission for Scheduled Castes
4. National Commission for Scheduled Tribes
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-2, R-3, S-4

11. Which nodal department in the Government of Rajasthan is primarily responsible for implementing policies, schemes, and programs targeted at the welfare of Scheduled Castes, Other Backward Classes, and Persons with Disabilities?
(A) Department of Rural Development and Panchayati Raj
(B) Department of Social Justice and Empowerment
(C) Department of Women and Child Development
(D) Tribal Area Development Department

12. Read the following statements regarding minority welfare in Rajasthan and identify the incorrect statement.
(A) The Rajasthan Minorities Finance and Development Co-operative Corporation provides concessional loans for self-employment.
(B) Reservation for minority communities in state government jobs in Rajasthan is constitutionally fixed at 12 percent.
(C) The State Minorities Commission was established to safeguard the interests of minority communities in the state.
(D) Educational development programs for minorities in Rajasthan include the modernization of recognized Madrasas.

13. Consider the following statements regarding the Palanhar Yojana implemented in Rajasthan:
I. It is designed to provide financial assistance for the care, upbringing, and education of orphans and vulnerable children.
II. The scheme requires the child to be sent to an Anganwadi center or a school as a mandatory condition for receiving the grant.

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(B) Families involved in illicit liquor manufacturing and trade
(C) Youth suffering from severe substance abuse and narcotic drug addiction
(D) Homeless children and child laborers rescued from hazardous occupations

28. Consider the following assertion and reason regarding land distribution policies for vulnerable groups:
Assertion (A): The distribution of surplus agricultural land to landless SC and ST families has been a significant state policy for their economic empowerment.
Reason (R): Ownership of agricultural land not only provides a sustainable livelihood source but also enhances the social status of marginalized groups in rural agrarian economies.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

29. The National Commission for Women (NCW) was established in 1992 under which of the following frameworks?
(A) The National Commission for Women Act, 1990 of Parliament
(B) An executive resolution passed formally by the Union Cabinet
(C) A dedicated constitutional article under Part IV of the Constitution
(D) A binding direct order of the Supreme Court in a public interest writ

30. What is the most appropriate primary objective of implementing specialized skill development schemes, such as the PM-DAKSH Yojana, for marginalized youth?
(A) To eliminate the constitutional system of reservation in state employment
(B) To ensure structural economic migration of rural youth to urban centers
(C) To enhance their employability and entrepreneurial capabilities
(D) To provide temporary unemployment allowances until permanent placement

31. The 'Devnarayan Chhatra Scooty Vitaran and Protsahan Rashi Yojana' in Rajasthan is primarily designed to promote higher education among girls belonging to which of the following categories?
(A) Scheduled Castes category (SC)
(B) Scheduled Tribes category (ST)
(C) Recognized Minority communities
(D) More Backward Classes (MBC)

32. Consider the following statements regarding the functions of the National Commission for Scheduled Castes (NCSC):
I. It investigates and monitors all matters relating to the constitutional safeguards provided for the Scheduled Castes.
II. It has the powers of a civil court trying a suit while investigating a specific complaint of deprivation of rights.
III. It is empowered to independently amend the list of Scheduled Castes notified under Article 341.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

33. In the context of women empowerment schemes in Rajasthan, which of the following is NOT an objective of the 'IM Shakti Udan Yojana'?
(A) Distribution of free sanitary napkins to women and adolescent girls
(B) Providing direct financial assistance for setting up beauty parlors
(C) Creating awareness regarding menstrual health and hygiene
(D) Reducing the dropout rate of adolescent girls from schools due to menstrual health issues

34. Arrange the standard stages involved in the investigation and trial of offenses under the SC/ST (Prevention of Atrocities) Act in the correct procedural order:
I. Registration of an FIR by the police.
II. Filing of the charge sheet in the Special Court or Exclusive Special Court.
III. Completion of the investigation by a police officer not below the rank of a Deputy Superintendent of Police (DSP).
IV. Pronouncement of judgment by the Special Court.
Select the correct sequence from the options below:
(A) I, III, II, IV
(B) I, II, III, IV

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(C) III, I, II, IV
(D) I, III, IV, II

35. The Rajasthan State Minorities Commission, a statutory body established to protect the interests of minorities in the state, was constituted under an Act of the State Legislature passed in which year?
(A) 1993
(B) 2001
(C) 2005
(D) 2011

36. Match the educational empowerment schemes in List I with their key provisions in List II:
List I: (Schemes)
P. Pre-Matric Scholarship
Q. Post-Matric Scholarship
R. Dr. Ambedkar DBT Voucher Scheme
S. Kalibai Bheel Medhavi Chhatra Scooty Yojana
List II: (Provisions)
1. Mobility support for meritorious girl students passing Class 12
2. Financial support to SC/ST students studying in classes 9 and 10
3. Residential allowance for students living away from home for higher education
4. Financial support for SC/ST students studying in class 11, 12, and college
(A) P-4, Q-2, R-1, S-3
(B) P-2, Q-3, R-4, S-1
(C) P-2, Q-4, R-3, S-1
(D) P-3, Q-4, R-2, S-1

37. Which of the following is NOT a mandate or function of the National Commission for Scheduled Tribes (NCST)?
(A) To independently sentence individuals convicted of committing atrocities against STs
(B) To participate and advise on the planning process of socio-economic development of the STs
(C) To evaluate the progress of the development of STs under the Union and any State
(D) To present an annual report to the President upon the working of constitutional safeguards for STs

38. Consider the following statements regarding the Mukhyamantri Vridhjan Samman Pension Yojana:
I. It is fully funded by the Central Government without any state contribution.
II. The pension amount increases automatically when the beneficiary crosses the age of 75 years.
III. An individual receiving a regular pension from the Central or State Government is generally not eligible.
IV. The amount is transferred directly to the beneficiary's bank account through Direct Benefit Transfer (DBT).
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

39. The 'Dr. Ambedkar DBT Voucher Scheme' introduced by the Government of Rajasthan is intended to cover which specific expense of college students belonging to reserved categories?
(A) Complete tuition fee waiver for private engineering and medical institutions
(B) Residential facility and monthly rent allowance for eligible students
(C) Direct procurement of personal laptops and essential digital study materials
(D) Daily public transportation expenses for commuting from home to college

40. Consider the following assertion and reason regarding Direct Benefit Transfer (DBT) implementation in Rajasthan:
Assertion (A): The implementation of Direct Benefit Transfer (DBT) utilizing the Jan Aadhaar infrastructure in Rajasthan has significantly reduced leakages in scholarship and pension schemes.
Reason (R): DBT removes bureaucratic intermediaries by transferring funds directly to the Aadhaar-seeded bank accounts of verified beneficiaries.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

41. The 'PM-DAKSH' (Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi) Yojana, aimed at skilling marginalized persons including SCs, OBCs, and Safai Karamcharis, is implemented by which Union Ministry?
(A) Ministry of Labour and Employment

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(B) Ministry of Skill Development and Entrepreneurship
(C) Ministry of Rural Development
(D) Ministry of Social Justice and Empowerment

42. Under Article 341 of the Indian Constitution, the power to notify the initial list of Scheduled Castes for a State or Union Territory rests with whom?
(A) The President of India, after consulting the State Governor
(B) The Parliament of India through a statutory legislative enactment
(C) The National Commission for Scheduled Castes at the central level
(D) The State Legislative Assembly of the specific state concerned

43. Which of the following statements about the State Commission for Women in Rajasthan is incorrect?
(A) It is constituted to investigate specific complaints regarding the deprivation of women's rights in the state.
(B) It enjoys the legal power to sentence offenders to imprisonment in cases of domestic violence.
(C) The Chairperson of the Commission is appointed by the State Government.
(D) It reviews the existing provisions of the Constitution and other laws affecting women and recommends amendments.

44. To improve the educational standards of minority communities, the central and state governments implement the SPQEM scheme. What does SPQEM stand for in this context?
(A) Special Program for Quality Education in Madrasas
(B) Scheme for Providing Quality Education in Madrasas
(C) State Plan for Quantitative Educational Measurement
(D) Scholarship Program for Qualifying Educated Minorities

45. Consider the following statements regarding the special courts under the SC/ST (Prevention of Atrocities) Act:
I. The State Government, with the concurrence of the Chief Justice of the High Court, specifies a Court of Session to be a Special Court for each district.
II. The exclusive purpose of these Special Courts is to handle civil property disputes of SC/ST individuals.
III. The Act mandates that the trial by these Special Courts should preferably be completed within two months from the date of filing the charge sheet.
Which of the above statement(s) is/are incorrect?
(A) I only
(B) II only
(C) I and III only
(D) II and III only

46. To be eligible for the Mukhyamantri Vishesh Yogyajan Samman Pension Yojana in Rajasthan, an applicant with dwarfism is typically eligible if their height is less than:
(A) 3 feet 6 inches
(B) 4 feet 0 inches
(C) 4 feet 6 inches
(D) 5 feet 0 inches

47. Select the correct hierarchical order of the administrative structure of the Social Justice and Empowerment Department in Rajasthan, from the highest state level down to the grassroots level.
(A) Directorate (State) → District Office → Block Office → Panchayat/Urban Ward level functionaries
(B) Block Office → District Office → Directorate (State) → Panchayat level functionaries
(C) Directorate (State) → Panchayat level functionaries → Block Office → District Office
(D) District Office → Directorate (State) → Block Office → Panchayat/Urban Ward level functionaries

48. The 'Pradhan Mantri Adarsh Gram Yojana' (PMAGY) is implemented with the objective of integrated development of villages where the population of which specific community is more than 50%?
(A) Scheduled Tribes (ST)
(B) Other Backward Classes (OBC)
(C) Scheduled Castes (SC)
(D) Minorities

49. Match the nodal departments in List I with their primary target groups in List II in the context of Rajasthan:
List I: (Nodal Departments)
P. Tribal Area Development Department
Q. Department of Minority Affairs

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(D) 21 percent

21. Under the Mukhyamantri Vridhjan Samman Pension Yojana in Rajasthan, what is the minimum qualifying age for a female applicant to receive the old-age pension?
(A) 50 years
(B) 55 years
(C) 58 years
(D) 60 years

22. Match the Rajasthan Government Social Security Pension Schemes in List I with their primary target beneficiaries in List II:
List I: (Pension Schemes)
P. Mukhyamantri Vridhjan Samman Pension Yojana
Q. Mukhyamantri Ekal Nari Samman Pension Yojana
R. Mukhyamantri Vishesh Yogyajan Samman Pension Yojana
S. Mukhyamantri Krishak Vridhjan Samman Pension Yojana
List II: (Target Beneficiaries)
1. Small and marginal elderly farmers
2. Widows, divorced, and destitute women
3. Elderly male and female citizens above a specified age
4. Persons with benchmark disabilities
(A) P-3, Q-4, R-2, S-1
(B) P-1, Q-2, R-4, S-3
(C) P-2, Q-3, R-1, S-4
(D) P-3, Q-2, R-4, S-1

23. According to the Rights of Persons with Disabilities (RPwD) Act, 2016, which is directly applicable to state services in Rajasthan, what is the mandated minimum percentage of reservation for persons with benchmark disabilities in government establishments?
(A) 2 percent
(B) 3 percent
(C) 4 percent
(D) 5 percent

24. A resident of Rajasthan belonging to the BPL category wishes to apply for the state social security pension. Select the correct sequence of the standard procedural steps for the delivery of this scheme.
(A) Submission of manual form to Treasury → Sanction by District Collector → Biometric verification → DBT transfer
(B) Sanction and DBT transfer → Biometric verification via Jan Aadhaar → Verification by SDO/BDO → Submission through e-Mitra
(C) Biometric verification via Jan Aadhaar → Submission of application through e-Mitra → Verification by SDO/BDO → Sanction and DBT transfer
(D) Verification by SDO/BDO → Sanction and DBT transfer → Submission of application through e-Mitra → Biometric verification

25. The Rajasthan Government's Silicosis Policy focuses on the financial, medical, and social rehabilitation of affected individuals. Which specific occupational group forms the major target of this policy?
(A) Agricultural laborers continuously exposed to hazardous chemical pesticides
(B) Textile industry workers engaged in modern handloom and power loom weaving
(C) Municipal sanitation workers involved in collection of solid urban waste
(D) Mine workers and laborers in stone crushing and stone carving units

26. Consider the following statements regarding the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989:
I. The Act defines specific criminal offenses against members of SCs and STs by persons not belonging to these categories as "atrocities."
II. It mandates the establishment of Special Courts at the district level for the speedy trial of such offenses.
III. It provides for the appointment of Special Public Prosecutors to handle cases registered under this Act.
IV. Anticipatory bail under Section 438 of the CrPC is easily available to the accused charged under this Act as a matter of standard right.
Which of the above statement(s) is/are correct?
(A) I, II and III only
(B) I, II and IV only
(C) II, III and IV only
(D) I, III and IV only

27. The 'Navjeevan Yojana' operated by the Social Justice and Empowerment Department in Rajasthan is targeted at the rehabilitation of which specific group?
(A) Persons formerly engaged in manual scavenging occupations

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schemes to benefit meritorious girl students. The allocation of scooties under this scheme relies heavily on which of the following criteria?
(A) Performance in the state physical fitness evaluation test
(B) Prior ownership of any four-wheeler vehicle by the family
(C) Marks obtained in the Class 12th board exam
(D) Successful completion of a recognized post-graduate degree

57. The Rajasthan Skill and Livelihoods Development Corporation (RSLDC) runs targeted skill training programs for marginalized youth. What is the fundamental approach of these state-sponsored skill development initiatives?
(A) Providing mandatory four-year technical engineering degrees entirely free of cost
(B) Sponsoring young job aspirants to travel to foreign nations for manual labor work
(C) Distributing permanent unemployment allowances directly without mandatory training
(D) Industry-linked short-term training ensuring placement or self-employment

58. Articles 330 and 332 of the Constitution of India are foundational to the political empowerment of weaker sections. What do they specifically mandate?
(A) Reservation of Lok Sabha and State Assembly seats for SCs and STs
(B) Mandatory reservation in all public sector employment and state services
(C) Complete prohibition and abolition of untouchability and bonded labor forms
(D) Establishment of statutory national bodies for human rights protection

59. The bifurcation of the erstwhile combined National Commission for Scheduled Castes and Scheduled Tribes into two separate constitutional bodies was effected by which Constitutional Amendment Act?
(A) 73rd Amendment Act, 1992
(B) 86th Amendment Act, 2002
(C) 89th Amendment Act, 2003
(D) 102nd Amendment Act, 2018

60. The Jan Aadhaar card in Rajasthan plays a critical role in the social justice framework. Which of the following is its most significant applied function in the delivery of welfare schemes?
(A) Acts as an official passport required for international travel by citizens
(B) Unified resident ID and DBT platform to curb duplicate beneficiaries
(C) Serves exclusively for tracking student attendance across all colleges
(D) Replaces official voter identity cards during state assembly elections

61. Under the National Commission for Minorities Act, 1992, specific communities are notified as minority communities in India. Which of the following communities is NOT recognized as a minority at the national level?
(A) Bahá'ís
(B) Buddhists
(C) Parsis
(D) Jains

62. What is the primary role of the State Backward Classes Commission in Rajasthan?
(A) To issue official caste and community certificates directly to state residents
(B) To conduct competitive examinations for public service recruitments
(C) To examine requests for backward class inclusion and hear list complaints
(D) To allocate government agricultural land plots to marginalized farmers

63. The Protection of Civil Rights Act, 1955, is a significant piece of legislation for the social empowerment of weaker sections. It was enacted primarily to prescribe punishment for the:
(A) Practice of dowry demands and domestic violence in domestic households
(B) Illegal encroachment and occupation of designated forest lands
(C) Hazardous employment of underage children in industrial workplaces
(D) Practice of untouchability and enforcement of related disabilities

64. In the context of implementing reservations in government employment, what is the purpose of the 'roster system'?
(A) To randomly assign geographic job postings among all newly appointed recruits
(B) To regulate annual financial salary increments for public employees
(C) To track vacancies ensuring proportional representation of reserved groups

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(D) To fix and manage operational work schedules of state government staff

65. The constitutional provision that explicitly enables the State to provide reservation in matters of promotion for the Scheduled Castes and the Scheduled Tribes is located in:
(A) Article 15(5)
(B) Article 16(4A)
(C) Article 335
(D) Article 342

66. The Rajasthan Scheduled Castes and Scheduled Tribes Finance and Development Cooperative Corporation (RSCSTFDCC) functions to socially and economically uplift these communities. How does it primarily execute this mandate?
(A) By directly establishing and operating government primary schools in rural sectors
(B) By acquiring vast private land tracts to build public housing colonies
(C) By offering free legal aid centers across all district judicial courts
(D) By providing loans, margin money, and microfinance for income activities

67. Which of the following approaches is considered the most appropriate and sustainable method to overcome awareness gaps regarding social welfare schemes among marginalized rural populations?
(A) Mobilizing Gram Panchayats, Anganwadi workers, and SHGs for outreach
(B) Publishing detailed welfare policy documents online in official English
(C) Displaying public scheme notifications exclusively on district notice boards
(D) Requiring beneficiaries to visit state headquarters to obtain guidelines

68. The 'Self Employment Scheme for Rehabilitation of Manual Scavengers' (SRMS) is a vital intervention for social justice. Which of the following is a core component of this scheme?
(A) Allocating free agricultural land plots to families leaving sanitation labor
(B) Offering guaranteed permanent employment positions in central government railways
(C) Providing subsidies and loans for purchasing mechanized sanitation equipment
(D) Facilitating mandatory placements in private corporate firms as unskilled labor

69. For certain area-specific minority development programs (like the Multi-Sectoral Development Programme / PMJVK), an area is typically identified for intervention if the minority population in that block or town constitutes at least what percentage of the total population?
(A) 10 percent
(B) 15 percent
(C) 25 percent
(D) 50 percent

70. The Social Justice and Empowerment Department in Rajasthan operates numerous 'Ashram Hostels'. What is the specific objective of these institutions?
(A) To establish full-time residential old age care homes for destitute elderly citizens
(B) To serve as specialized medical quarantine and isolation facilities for public health
(C) To offer intensive skill training exclusively in heritage regional handicrafts
(D) To provide free boarding, lodging, and academic support to reserved students

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71. Consider the following statements regarding the implementation timeline of reservations:
Statement I: The Mandal Commission submitted its report in 1980, but the 27% reservation for OBCs in central government jobs was implemented in 1990.
Statement II: The 103rd Constitutional Amendment Act providing for EWS reservation was passed and enacted in the year 2019.
Which of the above statement(s) is/are correct?
(A) Statement I is correct but Statement II is incorrect.
(B) Statement I is incorrect but Statement II is correct.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

72. Identify the correct pairing between the Constitutional Commission and the standard term of office for its Chairperson and members, as conventionally framed in their respective rules.
(A) National Commission for Scheduled Tribes — 5 years
(B) National Commission for Backward Classes — 6 years
(C) National Commission for Scheduled Castes — 3 years
(D) National Commission for Women — 2 years

73. Four state welfare schemes are listed below. Identify the odd one out based on the fundamental nature of the benefit provided (regular subsistence vs. educational/merit grant).
(A) Mukhyamantri Vridhjan Samman Pension Yojana
(B) Mukhyamantri Ekal Nari Samman Pension Yojana
(C) Mukhyamantri Vishesh Yogyajan Samman Pension Yojana
(D) Chief Minister Anuprati Coaching Scheme

74. When agricultural land is distributed to landless SC and ST families in Rajasthan, what is a standard legal condition often attached to such land allotment to prevent exploitation?
(A) The land is non-transferable to non-SC/ST persons to protect the allottee
(B) The land must be transferred to non-SC/ST buyers within five years of allotment
(C) The allotted agricultural land must be converted for commercial industrial use
(D) The land can only be managed and cultivated by official state government workers

75. In the context of budgetary allocation for weaker sections, the strategy of earmarking funds proportionate to the SC population was historically known as the Special Component Plan (SCP). What is its current standard nomenclature in planning terminology?
(A) Marginalized Resource Allocation (MRA)
(B) Scheduled Caste Sub-Plan (SCSP)
(C) Direct Benefit Tribal Plan (DBTP)
(D) Consolidated Welfare Fund (CWF)

76. The Rights of Persons with Disabilities Act, 2016 expanded the horizon of disability rights in India by increasing the number of recognized disability categories from 7 (under the 1995 Act) to how many?
(A) 14
(B) 21
(C) 28
(D) 32

77. The PM-YASASVI (PM Young Achievers Scholarship Award Scheme for Vibrant India) is a comprehensive scholarship scheme formulated specifically for students belonging to which of the following categories?
(A) Students belonging to OBC, EBC, and DNT categories
(B) Scheduled Tribe students residing in insurgency affected rural districts
(C) Scheduled Caste students enrolled in professional medical degree programs
(D) Minority community students pursuing higher education degrees abroad

78. Under Section 4 of the SC/ST (Prevention of Atrocities) Act, 1989, what consequence is prescribed for a public servant (not being a member of an SC or ST) who willfully neglects duties required to be performed under this Act?
(A) Immediate termination from public service without any departmental inquiry
(B) Imposition of a monetary penalty up to one lakh rupees with no prison term
(C) Imprisonment from six months up to one year
(D) Mandatory administrative transfer to a remote non-sensitive district

79. The Eklavya Model Residential Schools (EMRS), aimed at providing quality middle and high-level education to Scheduled Tribe students in remote areas, are operated under the aegis of which Union Ministry?
(A) Ministry of Education
(B) Ministry of Social Justice and Empowerment
(C) Ministry of Minority Affairs
(D) Ministry of Tribal Affairs

80. The ultimate objective of implementing targeted social justice schemes (such as reservations, subsidies, and protective legislation) in a democratic setup is best described as:
(A) Achieving strict numerical representation across all private corporate executive boards
(B) Creating structural lifelong financial dependency of backward groups on state aid
(C) Achieving substantive equality and integrating weaker sections into development
(D) Restricting fundamental constitutional rights of non-reserved advanced classes

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ANSWERS

1. (B) Article 46
Article 46 of the Indian Constitution resides within the Directive Principles of State Policy. It explicitly instructs the State to promote with special care the educational and economic interests of the weaker sections of the people, specifically focusing on the Scheduled Castes and Scheduled Tribes. It further mandates protecting these marginalized groups from social injustice and all forms of exploitation.

2. (D) Article 15(4) relates to special provisions including educational advancement, while Article 16(4) specifically relates to the reservation of appointments or posts in state services.
Article 15(4) empowers the State to make special provisions for the advancement of socially and educationally backward classes or Scheduled Castes and Scheduled Tribes, including admission to educational institutions. Conversely, Article 16(4) focuses exclusively on public employment, enabling reservations in appointments or posts for backward classes not adequately represented in state services.

3. (C) I and III only
Article 17 of the Indian Constitution abolishes untouchability and forbids its practice in any form. Article 38 mandates that the State shall strive to promote the welfare of the people by securing a social order permeated by justice and minimizing income inequalities. However, non-discrimination in public employment is governed by Article 16, whereas Article 23 prohibits human trafficking and forced labor.

4. (C) Persons already covered under the existing schemes of reservation for SCs, STs, and OBCs
The 103rd Constitutional Amendment Act of 2019 introduced Article 15(6) and Article 16(6) to enable a ten percent reservation for Economically Weaker Sections. To avoid overlapping affirmative action benefits, the statutory criteria strictly exclude individuals belonging to communities already eligible for affirmative provisions under existing reservation frameworks for Scheduled Castes, Scheduled Tribes, and Other Backward Classes.

5. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
In the landmark Indra Sawhney case of 1992, the Supreme Court of India upheld a fifty percent ceiling on total reservations in public employment. The judiciary reasoned that Article 16(4) was designed as an enabling provision for ensuring adequate representation, maintaining that reservations should remain an exception to guarantee general administrative efficiency without completely overshadowing merit-based appointments.

6. (D) Other Backward Classes
The creamy layer doctrine was introduced following the Indra Sawhney judgment to exclude socially, economically, and educationally advanced individuals within backward classes from enjoying reservation benefits. Under current constitutional jurisprudence and executive directives, this exclusion principle applies systematically to the Other Backward Classes, ensuring that reservation benefits reach the truly underprivileged sections of the designated target population.

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7. (B) Gross annual family income and specific asset ownership thresholds
Identification of beneficiaries under the Economically Weaker Sections reservation framework relies on precise economic parameters established by the state. Applicants must belong to general categories not covered by SC, ST, or OBC quotas, and their eligibility is evaluated based on gross annual family income limits alongside ownership thresholds concerning agricultural land, residential flats, and municipal housing plots.

8. (A) I, IV, III, II
The First Backward Classes Commission was appointed under Kaka Kalelkar in 1953. The Second Backward Classes Commission, headed by B.P. Mandal, was established in 1979. The 89th Constitutional Amendment Act, which bifurcated the combined commission into independent SC and ST commissions, was enacted in 2003. Finally, the 103rd Constitutional

Amendment Act introduced EWS reservation in 2019.

9. (D) The maintenance of efficiency of administration
Article 335 of the Indian Constitution addresses the claims of Scheduled Castes and Scheduled Tribes to services and posts. It explicitly provides that the claims of members of these communities shall be taken into consideration, consistently with the maintenance of efficiency of administration, in making appointments to public services and posts under Union or State affairs.

10. (A) P-3, Q-4, R-1, S-2
Article 338 details the establishment and functions of the National Commission for Scheduled Castes. Article 338A provides for the National Commission for Scheduled Tribes. Article 338B grants constitutional status to the National Commission for Backward Classes following the 102nd Amendment Act. Article 340 authorizes the President to appoint a commission to investigate conditions of backward classes.

11. (B) Department of Social Justice and Empowerment
The Department of Social Justice and Empowerment in Rajasthan acts as the principal nodal administrative body responsible for formulating, coordinating, and executing welfare policies. Its domain includes designing economic, educational, and social security programs targeted specifically at Scheduled Castes, Other Backward Classes, More Backward Classes, Economically Weaker Sections, and Persons with Disabilities across the state.

12. (B) Reservation for minority communities in state government jobs in Rajasthan is constitutionally fixed at 12 percent.
The Indian Constitution does not grant or fix job reservations based on religion, and there is no exclusive 12 percent quota reserved for minority communities in Rajasthan state government services. State minority welfare focuses instead on developmental initiatives, concessional financing via specialized corporations, operational support for statutory commissions, and educational schemes like madrasa modernization.

13. (A) I, II and III only
Palanhar Yojana in Rajasthan provides continuous monthly financial assistance to guardians caring for orphaned or vulnerable children, including children of widows or parents affected by Silicosis or HIV/AIDS. Regular schooling or Anganwadi attendance is mandatory. The assertion of receiving only a one-time lump sum grant at age 18 with no prior monthly allowance is incorrect.

14. (C) The marriage of girls from SC, ST, Minority, and BPL families
Mukhyamantri Kanyadaan Yojana, formerly known as Hathlewa Yojana, is implemented by the Social Justice and Empowerment Department in Rajasthan. The primary objective is to alleviate the financial burden on marginalized families by offering direct financial grant assistance for the marriage of adult girls belonging to Scheduled Castes, Scheduled Tribes, Minority communities, and Below Poverty Line households.

15. (D) To assist students from weaker sections in preparing for competitive examinations
The Chief Minister Anuprati Coaching Scheme was introduced by the Rajasthan State Government to provide free competitive examination coaching to meritorious students. The scheme targets eligible candidates from SC, ST, OBC, MBC, EWS, and Minority categories, enabling them to prepare for entrance tests and recruitment examinations conducted for civil services, engineering, medical, and professional careers.

16. (A) Statement I is correct but Statement II is incorrect.
In Rajasthan, special reservation quotas in government appointments are earmarked specifically for local residents and Scheduled Tribe candidates within scheduled Tribal Sub-Plan areas. However, TSP areas do not cover the entire state; they are restricted to specific declared southern districts and scheduled pockets, such as Dungarpur, Banswara, Pratapgarh, and parts of Udaipur and Sirohi.

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17. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Mukhyamantri Ekal Nari Samman Pension Yojana provides monthly financial social security to single, widowed, divorced, and deserted women in Rajasthan. These

72. (C) National Commission for Scheduled Castes — 3 years
Under the statutory rules framed pursuant to Article 338 of the Indian Constitution, the Chairperson, Vice-Chairperson, and other members of the National Commission for Scheduled Castes hold office for a standardized term of three years. Similar three-year tenure provisions also apply to statutory and constitutional counterparts, including NCST and NCBC.

73. (D) Chief Minister Anuprati Coaching Scheme
Mukhyamantri Vridhjan Samman Pension, Mukhyamantri Ekal Nari Samman Pension, and Mukhyamantri Vishesh Yogyajan Samman Pension are social security pension schemes providing monthly cash subsistence allowances to vulnerable demographic groups. In contrast, the Chief Minister Anuprati Coaching Scheme is a competitive examination coaching initiative designed specifically as an educational merit grant for qualifying students.

74. (A) The land is non-transferable to non-SC/ST persons to protect the allottee
When government land or ceiling-surplus land is allotted to landless Scheduled Caste and Scheduled Tribe households in Rajasthan, legal protective conditions are attached under revenue laws. To prevent exploitation, land alienation, and distress sales, land transfers or sales to non-SC/ST persons are strictly prohibited, ensuring that ownership remains within protected communities.

75. (B) Scheduled Caste Sub-Plan (SCSP)
The strategy of allocating plan funds in proportion to the Scheduled Caste population was initiated as the Special Component Plan (SCP) in 1979. In official planning terminology, this administrative budgeting mechanism was renamed the Scheduled Caste Sub-Plan (SCSP), ensuring targeted flow of financial resources and development benefits directly to Scheduled Caste habitations and families.

76. (B) 21
The Rights of Persons with Disabilities Act, 2016 substantially expanded statutory protection by increasing the number of recognized benchmark disability categories from 7 (under the 1995 Act) to 21. Newly included conditions include acid attack victims, autism spectrum disorder, cerebral palsy, muscular dystrophy, chronic neurological conditions, and specific learning disabilities.

77. (A) Students belonging to OBC, EBC, and DNT categories
PM-YASASVI (PM Young Achievers Scholarship Award Scheme for Vibrant India) is a comprehensive scholarship initiative administered by the Ministry of Social Justice and Empowerment. It provides top-class educational scholarships and pre/post-matric financial awards to meritorious students belonging to Other Backward Classes, Economically Backward Classes, and De-notified, Nomadic, and Semi-Nomadic Tribes.

78. (C) Imprisonment from six months up to one year
Section 4 of the SC/ST (Prevention of Atrocities) Act, 1989 specifically addresses duties of public servants. If a public servant who is not a member of a Scheduled Caste or Scheduled Tribe willfully neglects duties required to be performed under this statutory Act, they are punishable with imprisonment for a term between six months and one year.

79. (D) Ministry of Tribal Affairs
Eklavya Model Residential Schools (EMRS) are established under the flagship funding of the Union Ministry of Tribal Affairs. The program provides quality middle and high-level residential education to Scheduled Tribe students in remote tribal areas, enabling them to access quality educational infrastructure, preserve local culture, and pursue competitive higher education and employment.

80. (C) Achieving substantive equality and integrating weaker sections into development
The fundamental goal of implementing targeted social justice initiatives, positive discrimination, protective legislation, and financial subsidies in a constitutional democracy is achieving substantive equality. Beyond formal legal equality, these measures rectify historical socio-economic disadvantages, empower marginalized groups, promote social integration, and ensure active participation of all weaker sections in mainstream nation building.

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27. (B) Families involved in illicit liquor manufacturing and trade
Navjeevan Yojana is implemented by the Department of Social Justice and Empowerment in Rajasthan to social-economically rehabilitate families historically or traditionally engaged in the illicit manufacturing, storage, and sale of liquor. The program offers alternative livelihoods, educational grants, self-employment loans, and vocational skill training to integrate affected individuals into mainstream society.

28. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Distributing ceiling-surplus agricultural land to landless Scheduled Caste and Scheduled Tribe households serves as an effective state mechanism for socio-economic empowerment. In rural agrarian societies, land ownership directly mitigates extreme poverty by providing sustainable agricultural income while simultaneously elevating social standing, legal autonomy, and financial security for historically marginalized landless families.

29. (A) The National Commission for Women Act, 1990 of Parliament
The National Commission for Women was established as a statutory body in January 1992 pursuant to the provisions of the National Commission for Women Act, 1990 enacted by Parliament. It reviews constitutional and legal safeguards for women, recommends legislative remedial measures, facilitates redressal of grievances, and advises government authorities on policy matters impacting women.

30. (C) To enhance their employability and entrepreneurial capabilities
Specialized market-led skill development schemes, such as the PM-DAKSH initiative, aim to uplift marginalized youth, including Scheduled Castes, Other Backward Classes, and Safai Karamcharis. By delivering targeted vocational training, technical skill acquisition, and capacity building, these schemes directly enhance beneficiary employability and foster self-employment capabilities, promoting sustainable economic independence and social inclusion.

31. (D) More Backward Classes (MBC)
The Devnarayan Chhatra Scooty Vitaran and Protsahan Rashi Yojana in Rajasthan specifically promotes academic advancement among eligible girls belonging to More Backward Classes, including communities like Gurjar, Raika, Rabari, Gadariya, and Banjara. The scheme provides free motorized scooties and financial incentive grants to meritorious students pursuing higher secondary and university education.

32. (A) I and II only
The National Commission for Scheduled Castes is constitutionally mandated to monitor all statutory safeguards for Scheduled Castes and holds civil court powers while investigating individual complaints. However, it cannot independently modify or amend the official list of Scheduled Castes notified under Article 341; such statutory inclusion or exclusion lies strictly within the constitutional domain of Parliament.

33. (B) Providing direct financial assistance for setting up beauty parlors
The IM Shakti Udan Yojana in Rajasthan is a health and hygiene awareness initiative focusing on menstrual health management among adolescent girls and women. It aims to distribute free sanitary napkins, build hygiene awareness, and reduce school dropout rates among young girls. The scheme does not provide direct financial assistance or capital loans for commercial ventures like beauty parlors.

34. (A) I, III, II, IV
Legal proceedings under the SC/ST (Prevention of Atrocities) Act follow a defined criminal procedure. First, an FIR is formally registered upon receiving a complaint. Next, an officer not below the rank of Deputy Superintendent of Police conducts the investigation. Once completed, the charge sheet is submitted to the Special Court, culminating in judicial trial and judgment.

35. (B) 2001
The Rajasthan State Minorities Commission was formally given statutory framework through the enactment of the Rajasthan State Minorities Commission Act passed by the State Legislature in the year 2001. The commission safeguards the constitutional rights of notified religious minorities, evaluates their socio-economic development, and submits policy recommendations to protect minority interests across Rajasthan.

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demographic groups experience significant socio-economic vulnerabilities and lack sustainable income sources, making targeted state financial assistance essential for securing their basic living requirements, dignity, and independent social sustenance.

18. (D) National Commission for Women
The National Commission for Scheduled Castes, National Commission for Scheduled Tribes, and National Commission for Backward Classes are constitutional bodies created under Articles 338, 338A, and 338B of the Indian Constitution, respectively. In contrast, the National Commission for Women is a statutory body established pursuant to an ordinary legislative enactment passed by Parliament in 1990.

19. (B) II only
Under the reservation framework in Rajasthan state government services, the reservation quota for Other Backward Classes is 21 percent, and the quota for More Backward Classes is 5 percent. However, the reservation percentage allocated for Scheduled Tribes in state services is 12 percent, whereas 16 percent is specifically allocated for Scheduled Castes.

20. (C) 16 percent
In Rajasthan, the reservation quota in state public employment and administrative recruitment is structured proportionately among categories. In State Subordinate and Ministerial Services, candidates belonging to Scheduled Castes receive a 16 percent reservation. Meanwhile, Scheduled Tribes receive 12 percent, Other Backward Classes receive 21 percent, and More Backward Classes receive 5 percent reservation.

21. (B) 55 years
Under the Mukhyamantri Vridhjan Samman Pension Yojana in Rajasthan, the minimum qualifying age to become eligible for the state old-age social security pension is fixed at 55 years for female applicants. For male applicants, the baseline age requirement is 58 years, with pension amounts increasing further upon attaining 75 years of age.

22. (D) P-3, Q-2, R-4, S-1
Mukhyamantri Vridhjan Samman Pension Yojana targets elderly residents above specified age limits. Mukhyamantri Ekal Nari Samman Pension Yojana supports widowed, divorced, and destitute women. Mukhyamantri Vishesh Yogyajan Samman Pension Yojana caters to individuals with benchmark disabilities. Mukhyamantri Krishak Vridhjan Samman Pension Yojana specifically assists elderly small and marginal farmers across Rajasthan.

23. (C) 4 percent
The Rights of Persons with Disabilities (RPwD) Act, 2016 replaced the earlier 1995 legislation and raised the statutory reservation quota in public employment for persons with benchmark disabilities from 3 percent to 4 percent. Rajasthan enforces this national standard across all government departments, administrative bodies, and state public sector undertakings.

24. (C) Biometric verification via Jan Aadhaar → Submission of application through e-Mitra → Verification by SDO/BDO → Sanction and DBT transfer
The procedural delivery of social security pensions in Rajasthan follows a structured administrative pipeline. Applicants first complete biometric authentication using Jan Aadhaar details and submit their applications online through e-Mitra service kiosks. Local revenue officials, such as the SDO or BDO, verify field eligibility, after which formal approval leads to direct benefit transfer.

25. (D) Mine workers and laborers in stone crushing and stone carving units
Silicosis is an incurable occupational lung disease caused by long-term inhalation of hazardous crystalline silica dust. The Rajasthan Policy on Silicosis provides comprehensive financial assistance, medical support, monthly pensions, and disability rehabilitation specifically to mine workers, stone crushers, quarry laborers, and workers engaged in stone carving activities across the state.

26. (A) I, II and III only
The SC/ST (Prevention of Atrocities) Act, 1989 protects marginalized communities by criminalizing specific offenses, mandating Special Courts for prompt trials, and appointing Special Public Prosecutors. However, Section 18 of the Act expressly bars the application of Section 438 of the CrPC, strictly excluding anticipatory bail to prevent intimidation and ensure victim protection.

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45. (B) II only
Under the SC/ST (Prevention of Atrocities) Act, Special Courts are established by specifying Courts of Session in consultation with the High Court Chief Justice. These courts possess criminal jurisdiction to handle offenses and atrocities committed against SC/ST members, not civil property disputes. The Act further mandates that trials should ideally be completed within a two-month timeframe.

46. (A) 3 feet 6 inches
Under the Mukhyamantri Vishesh Yogyajan Samman Pension Yojana guidelines in Rajasthan, dwarfism is categorized as a benchmark disability for social security support. An adult applicant diagnosed with dwarfism qualify for the monthly disability pension if their total standing height is certified to be less than 3 feet 6 inches (or 106 centimeters).

47. (A) Directorate (State) → District Office → Block Office → Panchayat/Urban Ward level functionaries
The administrative structure of the Social Justice and Empowerment Department in Rajasthan follows a clear top-down hierarchy. Policy formulation and state-level governance originate at the Directorate in Jaipur. Administration then flows downward to District Social Welfare Offices, Block Level Extension Offices, and finally to local Panchayat or Urban Ward level functionaries for grassroots execution.

48. (C) Scheduled Castes (SC)
Pradhan Mantri Adarsh Gram Yojana (PMAGY) is a central welfare initiative implemented to ensure integrated socio-economic development of selected rural villages. The scheme specifically targets villages where the population of Scheduled Castes exceeds 50 percent, focusing on converging central and state government schemes to saturate critical infrastructure and socio-economic needs.

49. (B) P-2, Q-3, R-1, S-4
The Tribal Area Development Department caters to Scheduled Tribes in notified regions. The Department of Minority Affairs focuses on Muslims, Sikhs, Christians, Buddhists, Parsis, and Jains. The Directorate of Specially Abled Persons handles policies for persons with physical impairments. The Rajasthan State Commission for Women works to assist female victims of domestic violence and harassment.

50. (D) Complex multi-layered verification and approval procedures
While several systemic challenges exist, administrative delays in delivering social justice schemes and sanctioning pensions to vulnerable groups are fundamentally caused by complex, multi-layered verification and approval procedures. Redundant paperwork, lengthy chains of official sanction, and repeated field validations create bureaucratic bottlenecks, leading to processing delays despite available budget allocations.

51. (A) Baran
The Sahariya Development Project in Rajasthan is a specialized regional area development initiative created specifically for the upliftment of the Sahariya tribe, which is recognized as the state's only Particularly Vulnerable Tribal Group (PVTG). This targeted project is predominantly implemented in Baran district, specifically concentrated within Shahbad and Kishanganj tehsils.

52. (A) Statement I is correct but Statement II is incorrect.
The National Commission for Women investigates matters concerning constitutional and statutory safeguards for women. However, State Commissions for Women are statutory bodies created under state legislation, not subordinate administrative branches of the national commission. They possess independent statutory powers within their respective states, including the authority to take suo-moto cognizance of cases involving rights violations.

53. (C) Rs. 2.50 Lakh
Under current standard guidelines in Rajasthan, the annual parental income ceiling for SC and ST candidates applying for the Post-Matric Scholarship scheme is set at Rs. 2.50 Lakh per annum. Students whose total combined family income from all sources remains within this financial threshold are eligible for educational tuition fee reimbursement and maintenance allowances.

54. (D) It facilitates bank loans between 10 lakh and 1 crore rupees to at least one SC or ST borrower

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36. (C) P-2, Q-4, R-3, S-1
Pre-Matric Scholarship provides financial educational assistance to reserved category students in classes 9 and 10. Post-Matric Scholarship supports students pursuing class 11, class 12, and higher university studies. Dr. Ambedkar DBT Voucher Scheme grants residential rent allowances to students residing away from home, while Kalibai Bheel Medhavi Chhatra Scooty Yojana provides scooties to meritorious female students.

37. (A) To independently sentence individuals convicted of committing atrocities against STs
The National Commission for Scheduled Tribes is an advisory and investigatory constitutional body under Article 338A. While it evaluates development, participates in policy planning, and holds civil court powers during inquiries, it possesses no judicial powers to pass criminal convictions or independently sentence individuals for committing atrocities, which remains under the exclusive jurisdiction of judicial courts.

38. (B) II, III and IV only
The Mukhyamantri Vridhjan Samman Pension Yojana is a state-sponsored pension initiative in Rajasthan. The monthly pension amount increases automatically once a beneficiary attains 75 years of age. Individuals drawing state or central pensions are excluded, and benefits are disbursed via Direct Benefit Transfer. The scheme is not fully central-funded; it relies substantially on state funding.

39. (B) Residential facility and monthly rent allowance for eligible students
The Dr. Ambedkar DBT Voucher Scheme in Rajasthan provides financial assistance to undergraduate and postgraduate male students from reserved categories, including SC, ST, OBC, MBC, and EWS. It specifically targets eligible students living in rented accommodations away from their family residences for college studies, offering a monthly financial voucher to offset room rent and boarding expenses.

40. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Direct Benefit Transfer through the Jan Aadhaar infrastructure in Rajasthan has effectively curbed systemic leakages, duplicate records, and delayed disbursements in welfare delivery. By directly transferring monetary benefits into Aadhaar-seeded, verified bank accounts, the digital mechanism eliminates middleman interference and administrative corruption, ensuring that financial aid reaches authentic beneficiaries securely and promptly.

41. (D) Ministry of Social Justice and Empowerment
The PM-DAKSH (Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi) Yojana is an umbrella scheme formulated and executed by the Union Ministry of Social Justice and Empowerment. It focuses on multi-sectoral skill development and capacity building for target groups comprising Scheduled Castes, Other Backward Classes, Economically Backward Classes, De-notified Tribes, and Safai Karamcharis.

42. (A) The President of India, after consulting the State Governor
Under Article 341(1) of the Constitution of India, the President has the constitutional power to notify the initial list of Scheduled Castes for any State or Union Territory, after consultation with the Governor of that respective State. Any subsequent inclusion or exclusion from this notified list can only be executed through an act of Parliament.

43. (B) It enjoys the legal power to sentence offenders to imprisonment in cases of domestic violence.
The Rajasthan State Commission for Women is a statutory advisory body established to safeguard women's legal rights and investigate complaints regarding gender violence or discrimination. While it possesses powers of a civil court to summon witnesses and requisition documents, it does not hold judicial criminal powers to sentence offenders to imprisonment, which strictly belongs to judicial courts.

44. (B) Scheme for Providing Quality Education in Madrasas
SPQEM stands for 'Scheme for Providing Quality Education in Madrasas'. Introduced to modernize traditional educational institutions across the nation, it provides financial support to voluntary madrasas to introduce formal academic subjects like science, mathematics, computer education, and languages, ensuring minority students acquire relevant modern educational qualifications alongside traditional religious learning.

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1976, the Protection of Civil Rights Act, 1955 gives statutory effect to Article 17 of the Indian Constitution. It prescribes penalties and legal sanctions for enforcing religious, social, or public disabilities against individuals on the grounds of untouchability.

64. (C) To track vacancies ensuring proportional representation of reserved groups
In public administration and recruitment, the roster system is a post-based accounting mechanism designed to systematically track appointments and vacancies. It ensures that constitutional reservation quotas for Scheduled Castes, Scheduled Tribes, Other Backward Classes, and Economically Weaker Sections are strictly maintained and that post allocations reflect prescribed percentage representations accurately.

65. (B) Article 16(4A)
Article 16(4A) was inserted into the Indian Constitution by the 77th Constitutional Amendment Act of 1995 and subsequently amended by the 85th Amendment Act. It explicitly empowers the State to make provisions for reservation in matters of promotion, with consequential seniority, for Scheduled Castes and Scheduled Tribes in public employment.

66. (D) By providing loans, margin money, and microfinance for income activities
The Rajasthan Scheduled Castes and Scheduled Tribes Finance and Development Cooperative Corporation (RSCSTFDCC) executes economic upliftment by providing soft loans, margin money assistance, and flexible microfinance schemes. These financial services enable eligible SC and ST individuals to initiate self-employment ventures, engage in income-generating activities, purchase machinery, and establish sustainable small business enterprises.

67. (A) Mobilizing Gram Panchayats, Anganwadi workers, and SHGs for outreach
Overcoming persistent information asymmetry and awareness gaps regarding social welfare schemes among marginalized rural populations requires localized, community-driven communication strategies. Mobilizing Gram Panchayats, Anganwadi workers, Accredited Social Health Activists (ASHA), and Self-Help Groups ensures direct face-to-face interaction, vernacular dissemination, and effective procedural guidance for illiterate or digitally disconnected rural beneficiaries.

68. (C) Providing subsidies and loans for purchasing mechanized sanitation equipment
The Self Employment Scheme for Rehabilitation of Manual Scavengers focuses on ending manual scavenging and enabling dignified livelihoods. Key operational components include granting one-time cash assistance, providing capital subsidies and concessional loans for purchasing modern mechanized sanitation equipment, and offering skill development training to assist rehabilitated individuals in alternative occupations.

69. (C) 25 percent
Under area-based minority development initiatives such as Pradhan Mantri Jan Vikas Karyakram (PMJVK), formerly known as Multi-Sectoral Development Programme, specific administrative units like blocks, towns, or cluster villages are identified as Minority Concentration Areas if the minority population in that unit accounts for at least 25 percent of the total population.

70. (D) To provide free boarding, lodging, and academic support to reserved students
Ashram Hostels operated by the Social Justice and Empowerment Department in Rajasthan aim to support students from Scheduled Castes, Scheduled Tribes, Other Backward Classes, and economically disadvantaged groups. These residential facilities provide free lodging, nutritious meals, academic coaching, and protective learning environments, minimizing dropout rates and facilitating continuous secondary and higher education.

71. (C) Both Statement I and Statement II are correct.
The Second Backward Classes Commission (Mandal Commission) submitted its report in 1980, and its recommendation of 27% reservation for OBCs in central public employment was implemented in 1990. Furthermore, the 103rd Constitutional Amendment Act, which introduced a 10% reservation ceiling for Economically Weaker Sections, was enacted and implemented in 2019.

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and at least one woman borrower per bank branch.
The Stand Up India scheme was launched to promote entrepreneurship at the grassroots level among marginalized social groups. It mandates every commercial bank branch to facilitate greenfield enterprise loans ranging between 10 lakh rupees and 1 crore rupees to at least one Scheduled Caste or Scheduled Tribe borrower and at least one woman borrower.

55. (B) I, III and IV only
Rajasthan operates a dedicated Department of Minority Affairs overseeing welfare schemes for Muslims, Christians, Sikhs, Buddhists, Parsis, and Jains. The Chief Minister Anuprati Coaching Scheme includes minority students along with other reserved categories. However, the Rajasthan Minorities Finance and Development Co-operative Corporation provides concessional loans for diverse commercial ventures, not exclusively for agricultural activities.

56. (C) Marks obtained in the Class 12th board exam
The Kalibai Bheel Medhavi Chhatra Scooty Yojana in Rajasthan encourages female literacy and higher education among meritorious girl students from reserved categories and economically backward sections. Scheme allocation relies primarily on academic merit, specifically evaluating the percentage of marks obtained by eligible girl students in their Class 12th board examinations.

57. (D) Industry-linked short-term training ensuring placement or self-employment
The Rajasthan Skill and Livelihoods Development Corporation (RSLDC) addresses youth unemployment through market-aligned vocational training. Its core operational strategy centers on delivering targeted short-term skill training programs designed in direct alignment with current industry requirements, providing practical technical capabilities to marginalized candidates to ensure gainful wage employment or sustainable self-employment opportunities.

58. (A) Reservation of Lok Sabha and State Assembly seats for SCs and STs
Articles 330 and 332 of the Constitution of India mandate political representation for Scheduled Castes and Scheduled Tribes. Article 330 provides for the reservation of seats for SCs and STs in the Lok Sabha, while Article 332 guarantees proportional seat reservation in the State Legislative Assemblies across the Indian states.

59. (C) 89th Amendment Act, 2003
The Constitution (Eighty-Ninth Amendment) Act, 2003 bifurcated the former combined National Commission for Scheduled Castes and Scheduled Tribes into two distinct constitutional bodies. Effective from 2004, this amendment established the National Commission for Scheduled Castes under Article 338 and created a dedicated National Commission for Scheduled Tribes under Article 338A.

60. (B) Unified resident ID and DBT platform to curb duplicate beneficiaries
The Jan Aadhaar card scheme in Rajasthan serves as a unified resident identification card and integrated financial delivery system. By consolidating family details into a single digital database linked with Aadhaar, it acts as a primary Direct Benefit Transfer portal, ensuring transparent delivery of state social security pensions, scholarships, and subsidies while eliminating duplicate beneficiaries.

61. (A) Bahá'ís
Under the National Commission for Minorities Act, 1992, six religious communities have been officially notified as national minorities by the Central Government: Muslims, Christians, Sikhs, Buddhists, Parsis, and Jains (notified in 2014). The Bahá'í community is currently not included in the official national notification list of designated minority communities in India.

62. (C) To examine requests for backward class inclusion and hear list complaints
The statutory mandate of the State Backward Classes Commission in Rajasthan is to examine requests for inclusion, over-inclusion, or under-inclusion of communities in the state list of Other Backward Classes. It investigates specific complaints regarding non-inclusion, conducts detailed socio-economic evaluations, and advises the state government on modifying backward class notifications.

63. (D) Practice of untouchability and enforcement of related disabilities
Originally enacted as the Untouchability (Offences) Act, 1955, and later renamed in

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CHAPTER 25
Welfare Schemes and Development Institutions

1. Which department of the Government of Rajasthan is primarily responsible for the implementation and administrative control of old-age and widow pension schemes?
(A) Department of Rural Development and Panchayati Raj
(B) Department of Women and Child Development
(C) Department of Planning and Statistics
(D) Department of Social Justice and Empowerment

2. What was the foundational objective of the Bhamashah Yojana when it was introduced as a major welfare initiative in Rajasthan?
(A) To provide subsidized agricultural electricity and solar pumps to small and marginal farmers in rural districts
(B) To digitize all rural land records and establish an automated online mechanism for resolving land disputes
(C) To ensure financial inclusion and direct benefit transfer with a focus on women empowerment
(D) To provide collateral-free working capital loans and tax exemptions exclusively to heavy industrial units

3. Consider the following statements regarding the Mukhyamantri Chiranjeevi Swasthya Bima Yojana:
Statement I: The scheme aims to provide universal health coverage by offering cashless treatment in empanelled government and private hospitals.
Statement II: The premium is completely free for all residents of Rajasthan, regardless of their economic or occupational category.
Which of the statements given above is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and Statement II are correct
(D) Neither Statement I nor Statement II is correct

4. Match the institutions in List I with their primary functions in List II.
List I: (Institution)
P. Rajasthan Financial Corporation (RFC)
Q. Rajasthan Cooperative Dairy Federation (RCDF)
R. Rajasthan Grameen Aajeevika Vikas Parishad (RGAVP)
S. RIICO
List II: (Primary Function)
1. Fostering rural women's self-help groups and micro-enterprises
2. Providing long-term financial assistance to MSMEs
3. Developing industrial areas and providing related infrastructure
4. Procuring milk from rural societies and marketing dairy products
(A) P-2, Q-4, R-1, S-3
(B) P-3, Q-1, R-4, S-2
(C) P-2, Q-1, R-4, S-3
(D) P-4, Q-2, R-1, S-3

5. Which of the following statements regarding the cooperative movement in rural Rajasthan is incorrect?
(A) The cooperative banking structure in Rajasthan is entirely controlled and funded by private commercial banks.
(B) Primary Agricultural Credit Societies (PACS) operate at the grassroots level to provide short-term credit.
(C) Cooperative societies play a dual role of disbursing credit and supplying agricultural inputs like seeds and fertilizers.
(D) The cooperative movement has expanded beyond agriculture to encompass dairy, housing, and consumer goods.

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(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

22. The Jan Soochna Portal was launched by the Government of Rajasthan to proactively provide scheme-related information to the public. It fulfills the mandate of section 4(2) of which legislation?
(A) Rajasthan Guaranteed Delivery of Public Services Act, 2011
(B) Rajasthan Right to Health Act, 2022
(C) Right to Information Act, 2005
(D) Consumer Protection Act, 2019

23. Under the Mukhyamantri Chiranjeevi Swasthya Bima Yojana, which of the following categories of families is NOT entitled to a 100% free health insurance premium?
(A) Tax-paying families not belonging to any designated vulnerable category
(B) Families officially identified and covered under the provisions of the National Food Security Act (NFSA)
(C) Agricultural families holding land classified under the small and marginal farmer category in land records
(D) All contractual and temporary workers currently employed across various state government departments

24. Consider the following statements regarding the Primary Agricultural Credit Societies (PACS) in Rajasthan:
Statement I: PACS generally operate at the village or Gram Panchayat level to directly serve farmers.
Statement II: Their primary mandate is to provide long-term credit for purchasing heavy agricultural machinery and land development.
Which of the statements given above is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and Statement II are correct
(D) Neither Statement I nor Statement II is correct

25. Consider the following statements regarding the schemes operated by the Rajasthan Financial Corporation (RFC):
I. The Shilpi Yojana aims to provide financial assistance to artisans and craftsmen.
II. The Flexi Loan Scheme provides working capital and term loans for operational industries.
III. The Yuva Udyamita Protsahan Yojana specifically encourages young entrepreneurs to establish new units.
IV. RFC completely grants non-repayable funds to multi-national corporations setting up SEZs.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

26. Which of the following represents the correct hierarchical sequence of Panchayati Raj Institutions in Rajasthan, moving from the grassroots level up to the district level?
(A) Zila Parishad, Panchayat Samiti, Gram Panchayat
(B) Gram Sabha, Zila Parishad, Panchayat Samiti
(C) Gram Panchayat, Panchayat Samiti, Zila Parishad
(D) Panchayat Samiti, Gram Panchayat, Zila Parishad

27. The Mukhyamantri Rajshree Yojana aims to foster a positive environment for the girl child. Under this scheme, financial assistance up to ₹50,000 is provided to the beneficiary. In how many distinct phases or installments is this total amount disbursed?
(A) 3 installments
(B) 4 installments
(C) 6 installments
(D) 8 installments

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28. To prevent the challenge of scheme saturation duplication (beneficiary overlap) between various central and state direct cash transfer programs, which master demographic database is primarily utilized by the Rajasthan government for deduplication?
(A) Jan Aadhaar Database
(B) E-Mitra Registry
(C) Raj-Net Directory
(D) Rajasthan Sampark Logs

29. In the context of welfare scheme governance, what is the most appropriate definition of "Scheme Saturation"?

14. At the block level (Panchayat Samiti), who acts as the principal executive officer responsible for overseeing the grassroots implementation of state rural welfare schemes?
(A) Sub-Divisional Officer (SDO)
(B) Block Development Officer (BDO)
(C) Tehsildar
(D) Chief Executive Officer (CEO)

15. Which of the following digital portals is NOT primarily designed for citizen grievance redressal or direct public welfare delivery in Rajasthan?
(A) RajKaj Portal
(B) Rajasthan Sampark
(C) Jan Soochna Portal
(D) E-Mitra

16. The Rajasthan Cooperative Dairy Federation (RCDF) contributes significantly to rural livelihoods. Which of the following best describes its impact mechanism beyond simple milk collection?
(A) It strictly establishes and operates large-scale private commercial dairy farms that directly employ rural unemployed youth.
(B) It exports all procured milk and milk products exclusively to international markets to generate foreign exchange reserves.
(C) It eliminates middlemen by giving rural producers direct market access, fair prices, and veterinary support.
(D) It restricts its functional domain strictly to disbursing commercial loans for crossbreed cattle without procuring milk.

17. Match the welfare schemes in List I with their primary target demographics in List II.
List I: (Welfare Scheme)
P. Palanhar Yojana
Q. Mukhyamantri Rajshree Yojana
R. Mukhyamantri Vridhjan Samman Pension Yojana
S. Navjeevan Yojana
List II: (Target Demographic)
1. Persons involved in the illicit liquor trade seeking alternative livelihoods
2. Orphaned children and children of specially-abled parents
3. Elderly citizens requiring social security
4. Girl children, to promote their birth, health, and education
(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-1, R-3, S-4
(D) P-3, Q-4, R-2, S-1

18. What is the centralized toll-free helpline number associated with the Rajasthan Sampark portal for citizens to register their grievances regarding government schemes?
(A) 104
(B) 108
(C) 181
(D) 1098

19. Which of the following represents the most accurate role of Non-Governmental Organizations (NGOs) partnered with the state in last-mile welfare delivery?
(A) Directly issuing legally binding administrative executive orders and policy directives to state government departments
(B) Mobilizing local communities, generating scheme awareness, and building capacity among target beneficiaries
(C) Completely replacing the elected Gram Panchayat administration in all state and central fund disbursement activities
(D) Conducting independent, legally binding statutory audits of the official Comptroller and Auditor General reports

20. Consider the following combinations of welfare schemes and their primary sector:
I. Mukhyamantri Anuprati Coaching Yojana - Education and Youth Development
II. Indira Gandhi Shahari Rojgar Guarantee Yojana - Urban Employment
III. Mukhyamantri Krishak Sathi Yojana - MSME Industrial Support
Which of the above statement(s) is/are incorrect?
(A) I only
(B) II only
(C) III only
(D) I and III only

21. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): Gram Sabhas are highly instrumental in identifying and validating legitimate beneficiaries for rural social welfare schemes.
Reason (R): Gram Sabhas are statutory bodies consisting of all registered voters residing within the area of the Gram Panchayat.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.

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6. In which year was the Rajasthan Financial Corporation (RFC) established under the State Financial Corporations Act to provide institutional credit to industrial units?
(A) 1951
(B) 1955
(C) 1969
(D) 1980

7. Consider the following statements regarding the Rajasthan Small Industries Corporation Limited (RAJSICO):
I. It plays a significant role in providing marketing support to artisans and weavers in the state.
II. It markets Rajasthani handicrafts globally through its 'Rajasthali' emporiums.
III. It acts as the apex regulatory body for registering all large-scale heavy industries in the state.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

8. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Self-Help Group (SHG) movement has significantly contributed to poverty alleviation in rural Rajasthan.
Reason (R): SHGs provide easy access to formal credit and promote collective savings and micro-entrepreneurship among rural women.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

9. What is the fundamental operational principle of a Self-Help Group (SHG) functioning under state rural livelihood missions?
(A) Dependence on continuous grant funding and direct operational management from foreign non-governmental organizations
(B) Collective savings and internal credit lending among self-help group members
(C) Mandatory distribution of central government subsidies directly through elected Gram Panchayat representatives
(D) Requiring every individual member to independently register and operate a large-scale commercial company

10. Identify the odd one out in the context of funding patterns for welfare schemes operational in Rajasthan.
(A) PM-Kisan Samman Nidhi
(B) Pradhan Mantri Fasal Bima Yojana
(C) Mukhyamantri Kanyadaan Yojana
(D) Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

11. During the peak operational phase of the Mukhyamantri Chiranjeevi Swasthya Bima Yojana, what was the enhanced maximum health insurance cover provided per family per year?
(A) 5 Lakhs
(B) 10 Lakhs
(C) 15 Lakhs
(D) 25 Lakhs

12. Arrange the initial launch of the following digital governance and welfare platforms in Rajasthan in correct chronological order:
1. Bhamashah Yojana
2. Mukhyamantri Chiranjeevi Swasthya Bima Yojana
3. Jan Aadhaar Yojana
4. Rajasthan Sampark Portal
(A) 1, 4, 3, 2
(B) 1, 3, 4, 2
(C) 4, 1, 3, 2
(D) 3, 1, 4, 2

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13. Consider the following statements regarding the Mukhyamantri Ekal Nari Samman Pension Yojana:
I. It provides regular monthly pension to destitute widows, divorced, and abandoned women.
II. The minimum age limit to apply for this scheme is 18 years.
III. Beneficiaries must belong to the Below Poverty Line (BPL) category without exception.
IV. The pension amount progressively increases as the beneficiary crosses specified age thresholds.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

(A) The complete exhaustion of all budgeted financial allocations earmarked for a state welfare scheme
(B) Complete coverage of all eligible beneficiaries within a targeted scheme population
(C) The formal legislative termination and administrative closure of an underperforming government scheme
(D) Excessive administrative burden on field workers leading to systemic operational delays across Panchayats

30. Which state-level council is the designated nodal agency for implementing the National Rural Livelihood Mission (NRLM) and fostering the Self-Help Group (SHG) movement in Rajasthan?
(A) Rajasthan Foundation
(B) Rajasthan Grameen Aajeevika Vikas Parishad (Rajeevika)
(C) Rajasthan State Social Welfare Board
(D) Rajasthan Skill and Livelihoods Development Corporation (RSLDC)

31. The Rajasthan Rural Livelihood Project (RRLP), a major initiative for poverty reduction through livelihood enhancement, received major financial backing from which international institution?
(A) World Bank
(B) Asian Development Bank (ADB)
(C) International Monetary Fund (IMF)
(D) World Economic Forum (WEF)

32. Under the Rajasthan Mukhyamantri Vridhjan Samman Pension Yojana, what is the minimum qualifying age for women to become eligible for the old-age pension?
(A) 50 years
(B) 55 years
(C) 58 years
(D) 60 years

33. Identify the odd one out among the following functionaries based on their primary operational level in the district administration and rural development machinery.
(A) Patwari
(B) Gram Vikas Adhikari (VDO)
(C) Sarpanch
(D) District Collector

34. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The implementation of Direct Benefit Transfer (DBT) via platforms like Jan Aadhaar has significantly reduced leakages in welfare scheme delivery.
Reason (R): DBT mechanisms eliminate administrative intermediaries by transferring funds directly into the beneficiary's authenticated bank account.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

35. The term 'E-Mitra', extensively used in Rajasthan's digital welfare delivery, is best defined as:
(A) A state-sponsored digital social networking platform designed exclusively to connect rural youth for community sports
(B) An integrated e-governance network delivering citizen services via kiosks and online portals
(C) A satellite-based meteorological communication network dedicated exclusively to tracking real-time rainfall patterns
(D) A state-owned specialized non-banking financial institution mandated to disburse long-term industrial loans

36. Consider the following statements regarding the transition from the Bhamashah Yojana to the Jan Aadhaar Yojana:
Statement I: The Jan Aadhaar card assigns a unique 10-digit family identification number.
Statement II: Unlike Bhamashah, Jan Aadhaar removes the status of the woman as the head of the family to promote gender-neutral documentation.
Which of the statements given above is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and Statement II are correct
(D) Neither Statement I nor Statement II is correct

37. Consider the following structural tiers of the Short-Term Cooperative Credit Structure in Rajasthan:
I. Rajasthan State Cooperative Bank (Apex Bank)

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Who conventionally acts as the Chairperson of the DPC in Rajasthan?
(A) Member of Parliament (MP) of the district
(B) District Collector
(C) Chief Executive Officer (CEO) of Zila Parishad
(D) Zila Pramukh

53. Consider the following statements regarding the structure of dairy cooperatives under RCDF in Rajasthan:
Statement I: The primary milk producers' cooperative societies operate at the village level.
Statement II: The district-level tier consists of the District Milk Producers' Cooperative Unions.
Which of the statements given above is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and Statement II are correct
(D) Neither Statement I nor Statement II is correct

54. The core strategic focus of the Rajasthan Grameen Aajeevika Vikas Parishad (RGAVP - Rajeevika) is directed towards:
(A) Constructing large multi-lane highways and commercial transport corridors connecting remote rural areas with urban hubs
(B) Providing free smartphones, high-speed broadband connections, and digital literacy training to all adult rural citizens
(C) Mobilizing rural poor women into SHGs for poverty alleviation and sustainable livelihoods
(D) Facilitating the direct international export of heavily subsidized raw agricultural commodities produced by big farmers

55. Which of the following correctly orders the sequence of events in the standard grievance redressal mechanism on the Rajasthan Sampark portal?
(A) Resolution by Officer → Citizen Feedback → Registration → Allocation to Department
(B) Allocation to Department → Registration → Resolution by Officer → Citizen Feedback
(C) Registration → Allocation to Department → Resolution by Officer → Citizen Feedback
(D) Citizen Feedback → Registration → Allocation to Department → Resolution by Officer

56. Identify the odd one out among the following financial institutions based on their primary function of directly supporting long-term structural finance and welfare rather than serving as the central monetary regulator.
(A) NABARD
(B) SIDBI
(C) Rajasthan Financial Corporation (RFC)
(D) Reserve Bank of India (RBI)

57. "Social Audit" is a critical monitoring mechanism emphasizing public participation and transparency. It is a legally mandatory requirement primarily associated with which major employment welfare scheme?
(A) Pradhan Mantri Awas Yojana - Gramin (PMAY-G)
(B) Mahatma Gandhi NREGA
(C) Swachh Bharat Mission - Gramin (SBM-G)
(D) National Rural Health Mission (NRHM)

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58. Consider the following statements about Rajasthan's digital service delivery infrastructure:
I. 'RajNET' is a unified network providing connectivity from the state headquarters down to the Gram Panchayat level.
II. E-Mitra kiosks operate exclusively in urban metropolitan areas.
III. E-Mitra Plus machines are self-service kiosks that allow automated cash deposits and printing of certificates.
IV. The digital infrastructure heavily supports the direct benefit transfer mechanism.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

59. Match the MSME/Industrial schemes in List I with their key objectives in List II.
List I: (Scheme)
P. Mukhyamantri Laghu Udyog Protsahan Yojana
Q. Rajasthan Investment Promotion Scheme (RIPS)
R. Mukhyamantri Yuva Sambal Yojana
S. PM Vishwakarma Yojana
List II: (Objective)
1. Providing unemployment allowance to eligible educated youth
2. Offering interest subvention on loans to establish or expand MSMEs
3. Supporting traditional artisans and

List II: (Function)

1. Real-time data and monitoring of government schools
2. Employment exchange platform linking workers and employers
3. Master database for direct benefit transfer identity
4. Proactive disclosure of government scheme information

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

46. Which of the following statements regarding the social security pension schemes administered by the Rajasthan government is incorrect?
(A) The schemes are exclusively funded by the Central Government with zero financial burden on the state exchequer.
(B) Application processes have been heavily digitized to ensure transparency.
(C) Beneficiaries must annually undergo physical verification, which can now be done digitally via biometric authentication.
(D) Specialized pensions exist for distinct vulnerable groups like the elderly, widows, and specially-abled individuals.

47. Given below are two statements: one is labelled as Assertion (A) and the other is labelled as Reason (R).
Assertion (A): The Rajasthan Financial Corporation (RFC) provides financial assistance exclusively to large-scale, heavy engineering multi-national industries.
Reason (R): RFC was established under the provisions of the State Financial Corporations Act, 1951.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

48. The Rajiv Gandhi Krishak Sathi Sahayata Yojana provides financial assistance primarily in which of the following scenarios?
(A) To small and marginal farmers purchasing high-yield seeds and chemical fertilizers at government-subsidized rates
(B) To educated rural youth seeking non-collateral seed capital funding for setting up innovative technology startups
(C) To agricultural workers suffering accidental death or injury during work
(D) To primary agricultural cooperative credit societies facing severe operational loan defaults and financial distress

49. In the context of the coordination between Central and State welfare architectures, what does the term "Convergence" most accurately imply?
(A) The complete administrative transfer and structural handover of all state-sponsored social schemes to central ministries
(B) The mandatory financial auditing of all state developmental schemes through certified private international accounting firms
(C) The formal statutory procedure of liquidating and shutting down consistently underperforming state welfare departments
(D) Combining funds and infrastructure across schemes for unified development goals

50. Consider the following statements regarding the Rajasthan Jan Aadhaar Yojana:
I. It embraces the concept of "One Number, One Card, One Identity" for the entire family.
II. It facilitates both cash and non-cash benefits delivery through a unified network.
III. It strictly mandates that the eldest male member must be designated as the head of the family.
Which of the above statement(s) is/are incorrect?
(A) I and II only
(B) III only
(C) II and III only
(D) I, II, and III

51. What is the standard monthly pension amount provided under the Rajasthan Mukhyamantri Ekal Nari Samman Pension Yojana to eligible women who are aged 75 years and above (as per standard historical slabs preceding 2024 revisions)?
(A) ₹500
(B) ₹750
(C) ₹1000
(D) ₹1500

52. The District Planning Committee (DPC) consolidates the development plans prepared by Panchayats and Municipalities in the district.

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II. Central Cooperative Banks (CCBs)
III. Primary Agricultural Credit Societies (PACS)

Which of the following options correctly represents the sequence of these institutions from State level to District level to Village level, respectively?
(A) I, II, III
(B) III, II, I
(C) II, I, III
(D) I, III, II

38. Which institution in Rajasthan is responsible for implementing the 'Bunkar Puraskar Yojana' (Weaver Award Scheme) to encourage and recognize outstanding traditional handloom weavers?
(A) Rajasthan State Agricultural Marketing and Development Board
(B) Rajasthan Financial Corporation (Industrial Infrastructure Division)
(C) Directorate of Industries and Commerce
(D) Rajasthan Tourism Development Corporation (Crafts & Heritage Wing)

39. Under what popular brand name does the Rajasthan Cooperative Dairy Federation (RCDF) process and market its milk and dairy products across the state?
(A) Saras
(B) Amul
(C) Mother Dairy
(D) Raj-Dugdha

40. Consider the following statements about the features of the Rajasthan Sampark portal:
I. It serves as a centralized platform for lodging citizen grievances.
II. It facilitates monitoring of grievance disposal by senior government officials.
III. It completely overrides and replaces the judicial court system for civil disputes.
IV. It includes a provision for citizens to track the status of their submitted complaints.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

41. Non-Governmental Organizations (NGOs) partner with the Government of Rajasthan in various welfare schemes. Which of the following is an exception to their typical authorized roles?
(A) Conducting baseline surveys and identifying vulnerable groups
(B) Issuing final administrative financial sanctions from the state treasury
(C) Generating awareness about health and sanitation schemes
(D) Assisting self-help groups in establishing forward and backward market linkages

42. Arrange the following stages of the standard Self-Help Group (SHG) Bank Linkage lifecycle in the correct sequential order:
1. Internal lending and corpus generation
2. Initial formation and group dynamics establishment
3. Formal linkage with a bank for external credit
4. Grading of the SHG by external/bank evaluators

(A) 2, 1, 4, 3
(B) 2, 4, 1, 3
(C) 1, 2, 3, 4
(D) 4, 2, 1, 3

43. Under which schedule of the Constitution of India are the 29 functional items, including several rural welfare schemes and poverty alleviation programs, devolved to Panchayati Raj Institutions?
(A) Ninth Schedule
(B) Tenth Schedule
(C) Twelfth Schedule
(D) Eleventh Schedule

44. A BPL family in rural Rajasthan requires an urgent advanced surgical procedure for a heart condition. Which of the following state mechanisms is designed to provide them cashless coverage for this specialized medical intervention?
(A) Chiranjeevi Swasthya Bima Yojana
(B) Mukhyamantri Nishulk Dawa Sahayata Yojana
(C) Mukhyamantri Ekal Nari Samman Pension Yojana
(D) Mukhyamantri Palanhar Social Security Yojana

45. Match the e-Governance portals in List I with their specific functions in List II.

List I: (e-Governance Portal)
P. Jan Aadhaar
Q. Jan Soochna
R. Raj Kaushal
S. Shala Darpan

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craftspeople with training and credit
4. Granting tax exemptions and subsidies to boost large-scale and sector-specific investments

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-3, Q-4, R-1, S-2

60. Which of the following statements regarding RAJFED (Rajasthan State Cooperative Marketing Federation) is incorrect?
(A) It is the primary constitutional body responsible for conducting Panchayat elections.
(B) It acts as the apex cooperative organization for marketing agricultural produce in Rajasthan.
(C) It facilitates the procurement of crops at Minimum Support Price (MSP) on behalf of nodal central agencies.
(D) It aids farmers by supplying agricultural inputs like seeds, fertilizers, and pesticides.

61. Consider the following statements regarding the Bhamashah Yojana architecture:
Statement I: Under the scheme, the family bank account was mandated to be opened in the name of the female head of the family.
Statement II: The core rationale behind this requirement was to empower women financially and enhance their decision-making role within the household.
Which of the statements given above is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and Statement II are correct
(D) Neither Statement I nor Statement II is correct

62. The Mukhyamantri Chiranjeevi Swasthya Bima Yojana, representing a major leap in public health welfare in Rajasthan, was officially launched on which date?
(A) January 26, 2020
(B) May 1, 2021
(C) August 15, 2022
(D) October 2, 2023

63. What is the standard upper limit of long-term financial loan assistance generally provided by the Rajasthan Financial Corporation (RFC) for the establishment or expansion of MSME units?
(A) Up to ₹1 Crore
(B) Up to ₹5 Crores
(C) Up to ₹20 Crores
(D) Up to ₹100 Crores

64. The National Bank for Agriculture and Rural Development (NABARD) plays a crucial role in refinancing rural development in Rajasthan. In which year was NABARD formally established?
(A) 1969
(B) 1975
(C) 1982
(D) 1991

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65. In the terminology of government welfare movements, what does the concept of "Antyodaya" signify?
(A) Maximizing industrial outputs through foreign direct investment
(B) A policy focused solely on enhancing the skills of urban IT professionals
(C) The administrative digitization of land records
(D) The upliftment and development of the poorest of the poor in society

66. Which of the following agricultural welfare schemes is purely a Central Sector Scheme, meaning it is 100% funded by the Government of India without any matching state financial contribution?
(A) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(B) Rashtriya Krishi Vikas Yojana (RKVY)
(C) PM-Kisan Samman Nidhi (PM-KISAN)
(D) National Rural Livelihood Mission (NRLM)

67. To ensure robust monitoring of physical infrastructure created under rural welfare schemes like MGNREGA or watershed development, which technological intervention is most commonly applied by the state government?
(A) Conducting monthly telephonic feedback surveys of randomly selected urban resident panels
(B) Geo-tagging created assets via mobile apps linked to web dashboards
(C) Manual submission of paper site maps by Gram Panchayat officials once every five financial years
(D) Hiring private commercial drone operators to continuously monitor physical village

labor activities

68. The "Palanhar Yojana" is a flagship welfare scheme of the Rajasthan Government primarily focused on providing financial assistance and socio-economic support to:
(A) Destitute senior citizens residing in rural areas who are above eighty years of age and lack family support
(B) Small and marginal farmers intending to construct climate-controlled polyhouses for commercial horticulture
(C) Registered traditional artisans engaged in manufacturing handloom garments and local handicrafts across districts
(D) Foster carers or institutions raising orphaned and vulnerable children

69. Consider the following statements regarding the role of the Gram Vikas Adhikari (Village Development Officer) in welfare scheme implementation:
I. The officer acts as the administrative secretary to the Gram Panchayat.
II. The officer plays a key role in maintaining records and executing decisions made during Gram Sabha meetings.
III. The officer holds the judicial authority to sentence individuals for violating village norms.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

70. Which specific digital application/portal is utilized in Rajasthan to comprehensively track pregnant women, monitor maternal health, and ensure scheduled vaccinations for children?
(A) Raj-Kisan Sathi Portal
(B) e-Sanjeevani Telemedicine Network
(C) PCTS Portal
(D) Shala Darpan Portal

71. Which of the following statements regarding the Rajasthan Grameen Aajeevika Vikas Parishad (RGAVP) is incorrect?
(A) It exclusively targets urban male youth for skill development in heavy engineering.
(B) It is registered under the Rajasthan Societies Registration Act, 1958.
(C) The Chief Minister of Rajasthan acts as the Chairman of the Parishad.
(D) It acts as the umbrella organization for implementing livelihood projects in rural Rajasthan.

72. Which of the following is an INCORRECT statement regarding the objective of conducting formal impact assessment and outcome evaluation studies of major welfare schemes?
(A) They help in identifying bottlenecks and leakages in the delivery mechanism.
(B) They provide evidence-based data to justify policy modification or budget reallocation.
(C) They measure whether the intended socio-economic benefits have actually reached the target demographics.
(D) They are designed solely to penalize and dismiss junior-level field staff.

73. The Rajasthan State Commission for Women acts as a vital institution in the state's welfare architecture. What is its primary overarching function?
(A) To function as a commercial development bank providing subsidized business loans exclusively to female entrepreneurs
(B) To advise government on policy and investigate constitutional safeguards for women
(C) To conduct mandatory diagnostic health screenings and medical check-ups for rural women in government hospitals
(D) To directly establish and administer primary residential schools exclusively for girl children in tribal belts

74. At the Zila Parishad level, who serves as the ex-officio Chief Executive Officer (CEO) coordinating the broader district-level implementation of rural development schemes?
(A) The democratically elected Zila Pramukh presiding over district Panchayati Raj institutions
(B) The local Member of Parliament (MP) representing the district in the Lok Sabha
(C) A senior administrative officer (IAS/RAS) appointed by the state
(D) The Chief Medical and Health Officer (CMHO) directing district public health administration

75. Which of the following pairs is correctly matched regarding the nodal department and its respective welfare scheme?
(A) Department of Agriculture – Mukhyamantri

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Vridhjan Samman Pension Yojana
(B) Department of Social Justice and Empowerment – Mukhyamantri Chiranjeevi Swasthya Bima Yojana
(C) Department of Medical, Health and Family Welfare – Mukhyamantri Rajshree Yojana
(D) Department of Women and Child Development – Indira Gandhi Matritva Poshan Yojana

76. Which of the following operations is NOT a standard functional area of the Rajasthan Cooperative Dairy Federation (RCDF)?
(A) Direct retail sale of foreign imported dairy machinery
(B) Supply of balanced cattle feed
(C) Provision of artificial insemination and veterinary services to dairy farmers
(D) Marketing of pasteurized milk and milk products

77. Consider the following statements regarding the foundational principles of a cooperative society:
Statement I: Cooperative societies operate on the principle of "One Share, One Vote" making them heavily dominated by the wealthiest members.
Statement II: They function on the democratic principle of "One Member, One Vote" regardless of the amount of capital contributed.
Which of the statements given above is/are correct?
(A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and Statement II are correct
(D) Neither Statement I nor Statement II is correct

78. Which state-level institutional body acts as the premier agency for the development of industrial areas and the facilitation of large-scale industrial investment in Rajasthan?
(A) RAJFED (Apex Marketing Federation)
(B) RIICO
(C) RSIC (Small Industries Corporation)
(D) RSLDC (Livelihood Development Corporation)

79. The Mukhyamantri Kanyadaan Yojana (formerly Sahyog and Uphar Yojana) primarily provides structured financial assistance for which of the following life events?
(A) Marriage of girls from BPL, Antyodaya, and vulnerable families
(B) Enrollment of a girl child in higher technical or postgraduate university degree programs
(C) Equity funding for the initiation of a new MSME micro-enterprise startup by a female entrepreneur
(D) Full financial reimbursement for medical and surgical expenses related to complicated maternity deliveries

80. The Rajasthan Guaranteed Delivery of Public Services Act, aiming to enforce accountability in governance and welfare delivery, was enacted in which year?
(A) 2005
(B) 2011
(C) 2014
(D) 2019

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75. (D) Department of Women and Child Development – Indira Gandhi Matritva Poshan Yojana
The Department of Women and Child Development acts as the nodal agency for implementing the Indira Gandhi Matritva Poshan Yojana, providing cash incentives to pregnant and lactating mothers. Other departments listed do not align with those schemes; for example, health schemes are managed by the Department of Medical, Health and Family Welfare.

76. (A) Direct retail sale of foreign imported dairy machinery
The Rajasthan Cooperative Dairy Federation focuses on dairy sector development through milk procurement, processing, and marketing under the Saras brand. It provides balanced cattle feed, technical assistance, and artificial insemination services to dairy farmers. However, importing and engaging in direct retail sales of foreign dairy machinery falls outside its operational scope.

77. (B) Only Statement II is correct
Cooperative societies operate on democratic management principles governed by "One Member, One Vote," ensuring equal decision-making authority regardless of individual capital contributions. The principle of "One Share, One Vote" applies to joint-stock companies rather than cooperatives, which prevents wealthy members from monopolizing administrative control over democratic cooperative institutions.

78. (B) RIICO
Rajasthan State Industrial Development and Investment Corporation, known as RIICO, is the apex state agency dedicated to industrial infrastructure development. RIICO acquires land, develops modern industrial areas, provides essential infrastructure, and grants financial assistance to foster large-scale industrialization and attract private capital investment throughout the entire state of Rajasthan today.

79. (A) Marriage of girls from BPL, Antyodaya, and vulnerable families
Mukhyamantri Kanyadaan Yojana is a social welfare scheme in Rajasthan providing structured financial aid for the marriage of eligible adult daughters. Target groups include BPL households, Antyodaya families, destitute widows, and vulnerable socio-economic categories, with additional cash incentives provided based on the bride's educational qualifications achieved prior to her marriage.

80. (B) 2011
The Rajasthan Guaranteed Delivery of Public Services Act was enacted in the year 2011 to enforce administrative accountability and mandate time-bound delivery of notified public services. The legislation establishes statutory timelines for government service delivery, prescribing penalties for delays to ensure transparent and efficient public administration across the state region.

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directly provides the foundation for sustainable poverty reduction.

9. (B) Collective savings and internal credit lending among self-help group members
Self-Help Groups under state rural livelihood missions operate on the core principle of mutual aid, social mobilization, and financial self-sufficiency. Members pool their small regular savings into a common fund, which is then used to grant short-term internal loans to group members at nominal interest rates for emergency needs or micro-enterprise activities.

10. (C) Mukhyamantri Kanyadaan Yojana
Mukhyamantri Kanyadaan Yojana is a state-sponsored welfare scheme funded entirely by the Government of Rajasthan. In contrast, PM-Kisan Samman Nidhi is a central sector scheme fully funded by the Central Government, while Pradhan Mantri Fasal Bima Yojana and MGNREGS operate under joint central-state cost-sharing financial arrangements for their operational execution across districts.

11. (D) 25 Lakhs
Under the peak operational phase of the Mukhyamantri Chiranjeevi Swasthya Bima Yojana in Rajasthan, the maximum health insurance cover was significantly enhanced from five lakh rupees to twenty-five lakh rupees per family annually. This enhancement enabled registered families to access comprehensive tertiary medical care and surgical procedures free of cost in empanelled hospitals.

12. (A) 1, 4, 3, 2
The chronological timeline of these state initiatives begins with the launch of Bhamashah Yojana in 2014 for targeted direct benefit transfers. Rajasthan Sampark Portal was established to facilitate citizen grievance redressal. Jan Aadhaar Yojana replaced Bhamashah in December 2019, followed by the launch of Mukhyamantri Chiranjeevi Swasthya Bima Yojana in May 2021.

13. (B) I, II, and IV only
Mukhyamantri Ekal Nari Samman Pension Yojana provides monthly financial assistance to destitute widows, divorced, and abandoned women residing in Rajasthan. The minimum qualifying age is 18 years, and pension rates increase progressively across designated age slabs. The scheme covers vulnerable women across low-income limits without restricting eligibility strictly to the BPL category.

14. (B) Block Development Officer (BDO)
At the block level, corresponding to the Panchayat Samiti, the Block Development Officer serves as the chief executive officer. The officer coordinates administrative activities, supervises local extension staff, oversees implementation of state and central developmental welfare schemes, and ensures effective execution of financial allocations and projects at the grassroots rural level.

15. (A) RajKaj Portal
RajKaj Portal is designed primarily as an internal enterprise resource planning and administrative workflow system for Rajasthan state government employees to manage official files, leaves, and performance appraisals. In contrast, Rajasthan Sampark, Jan Soochna Portal, and E-Mitra focus directly on public service delivery, proactive information disclosure, and citizen grievance redressal mechanisms.

16. (C) It eliminates middlemen by giving rural producers direct market access, fair prices, and veterinary support.
The Rajasthan Cooperative Dairy Federation enhances rural livelihoods through an organized cooperative network. By connecting grassroots dairy farmers directly to organized processing and marketing channels, it eliminates manipulative intermediaries. This system provides rural cattle rearers with remunerative prices, guaranteed milk collection, balanced cattle feed, and accessible veterinary services to improve livestock yield.

17. (A) P-2, Q-4, R-3, S-1
Palanhar Yojana assists foster parents raising orphaned children and children of specially-abled parents. Mukhyamantri Rajshree Yojana provides financial incentives for girl children to enhance health and education. Mukhyamantri Vridhjan Samman Pension Yojana offers social security to needy elderly citizens, while Navjeevan Yojana focuses on rehabilitating individuals involved in the illicit liquor trade.

18. (C) 181
The centralized toll-free helpline number 181 is specifically designated under the Rajasthan Sampark portal. It provides citizens across the

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Rajasthan State Cooperative Bank functions as the apex body. Central Cooperative Banks operate at the district level, while Primary Agricultural Credit Societies form the grassroots tier at the grassroots village level.

38. (C) Directorate of Industries and Commerce
The Directorate of Industries and Commerce in Rajasthan is responsible for executing the Bunkar Puraskar Yojana. This scheme recognizes, encourages, and honors skilled handloom weavers for their exceptional craftsmanship, artistic innovations, and contribution to preserving traditional handloom heritage while promoting micro and cottage industrial growth across the state region.

39. (A) Saras
The Rajasthan Cooperative Dairy Federation processes, packages, and distributes its comprehensive range of milk and dairy products under the popular brand name Saras. Saras dairy products, including milk, butter, ghee, and curd, are widely distributed through an extensive urban and rural retail dealer network across the state of Rajasthan today.

40. (B) I, II, and IV only
Rajasthan Sampark portal serves as a centralized web platform for citizen grievance lodging, operational tracking, and supervisory monitoring by senior administrative officials. It enhances public administrative accountability and grievance resolution efficiency but does not possess judicial authority or function as a substitute for formal judicial court dispute resolution mechanisms.

41. (B) Issuing final administrative financial sanctions from the state treasury
Non-Governmental Organizations collaborate with state bodies to conduct baseline surveys, build public awareness, and facilitate community linkages. However, issuing official administrative financial sanctions or authorizing fund disbursements from the state treasury remains an exclusive statutory function reserved strictly for empowered statutory government officials and administrative authorities.

42. (A) 2, 1, 4, 3
The standard lifecycle of a Self-Help Group begins with initial group formation and establishing group rules. This is followed by building an internal cash corpus through regular savings and internal lending. External bank evaluators then grade the group based on performance and discipline, enabling formal institutional bank credit linkage.

43. (D) Eleventh Schedule
The Eleventh Schedule of the Constitution of India, introduced via the 73rd Constitutional Amendment Act, specifies twenty-nine functional subjects devolved to Panchayati Raj Institutions. These subjects cover rural development, agriculture, health, social welfare schemes, primary education, poverty alleviation programs, and sanitation facilities at the grassroots local self-government level.

44. (A) Chiranjeevi Swasthya Bima Yojana
The Chiranjeevi Swasthya Bima Yojana provides cashless hospitalization and specialized surgical coverage to eligible families, including Below Poverty Line households in Rajasthan. It covers secondary and tertiary medical interventions, such as complex cardiac surgeries, across empanelled public and private hospitals, protecting vulnerable families from severe catastrophic health expenditures.

45. (A) P-3, Q-4, R-2, S-1
Jan Aadhaar serves as the master database for direct benefit transfer identification. Jan Soochna Portal enables proactive disclosure of government scheme details. Raj Kaushal functions as an employment exchange platform matching job seekers with employers, whereas Shala Darpan provides real-time monitoring and administrative data management for government schools across Rajasthan.

46. (A) The schemes are exclusively funded by the Central Government with zero financial burden on the state exchequer.
Social security pension schemes in Rajasthan are implemented through a joint financial structure, combining central contributions under National Social Assistance Program with substantial state budget funding, making the assertion of zero state burden incorrect. Applications are heavily digitized, requiring biometric authentication and annual verification for target groups like widows and senior citizens.

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primary and secondary classes, and completion of grade twelve.

28. (A) Jan Aadhaar Database
The Jan Aadhaar Database acts as the core master demographic repository for the Government of Rajasthan. It provides each registered resident family with a unique identifier, facilitating automated beneficiary deduplication across central and state welfare programs to eliminate duplicate payouts, prevent leakage, and streamline direct benefit cash and non-cash transfers quite effectively.

29. (B) Complete coverage of all eligible beneficiaries within a targeted scheme population
In public policy and welfare scheme management, scheme saturation refers to achieving universal coverage where every eligible beneficiary within a targeted population receives entitled welfare benefits. It signifies that administrative outreach and identification efforts have successfully eliminated gaps, ensuring no eligible individual is excluded or left behind from receiving official scheme entitlements.

30. (B) Rajasthan Grameen Aajeevika Vikas Parishad (Rajeevika)
Rajasthan Grameen Aajeevika Vikas Parishad, commonly known as Rajeevika, is an autonomous body established by the state government. It acts as the nodal agency for implementing the National Rural Livelihood Mission, focusing on organizing rural women into self-help groups, providing micro-finance linkages, and driving sustainable poverty reduction initiatives across rural Rajasthan.

31. (A) World Bank
The Rajasthan Rural Livelihood Project was financially supported by the World Bank to enhance economic opportunities for poor households. The project targeted sustainable rural poverty reduction by mobilizing marginalized households into self-help groups, building institutional capacity, supporting micro-enterprise creation, and improving access to formal financial services across selected rural districts.

32. (B) 55 years
Under the Mukhyamantri Vridhjan Samman Pension Yojana in Rajasthan, gender-based age criteria are established for social security benefits. Women who reach 55 years of age qualify for the monthly pension, whereas the qualifying age threshold for male applicants is set at 60 years, ensuring social security for senior citizens meeting income criteria.

33. (D) District Collector
The District Collector operates as the executive head of administration and development at the district level. In contrast, Patwari, Gram Vikas Adhikari, and Sarpanch are grassroots operational functionaries working strictly at the village or Gram Panchayat tier, rendering the District Collector distinct due to broader administrative hierarchy and jurisdiction.

34. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Direct Benefit Transfer mechanisms linked with platforms like Jan Aadhaar have transformed welfare delivery in Rajasthan by routing financial aid straight into authenticated bank accounts. By bypassing intermediary channels and manual disbursal processes, this digital architecture effectively plugs leakages, prevents financial misappropriation, and ensures transparent delivery of state welfare entitlements.

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35. (B) An integrated e-governance network delivering citizen services via kiosks and online portals
E-Mitra is a flagship e-governance platform in Rajasthan designed to provide unified access to various government-to-citizen and business-to-citizen services. Operating through a widespread network of physical kiosks, online Web portals, and mobile applications, it enables citizens to pay utility bills, obtain government certificates, and submit scheme applications very conveniently.

36. (A) Only Statement I is correct
The Jan Aadhaar scheme assigns a unique 10-digit family identification number alongside individual 11-digit member IDs for streamlined benefit delivery. However, like the earlier Bhamashah Yojana, Jan Aadhaar continues to promote female empowerment by designating the adult woman of the household as the head of the family on the primary card.

37. (A) I, II, III
The short-term cooperative credit structure in Rajasthan is organized in a clear three-tier administrative hierarchy. At the state level, the

ANSWERS

1. (D) Department of Social Justice and Empowerment
The Department of Social Justice and Empowerment in Rajasthan functions as the primary nodal agency for implementing social security pension schemes. It oversees administrative control, financial sanctioning, and direct disbursement mechanisms for welfare programs targeting vulnerable demographics, including the elderly, destitute widows, and specially-abled citizens across both urban and rural regions of the state.

2. (C) To ensure financial inclusion and direct benefit transfer with a focus on women empowerment
The Bhamashah Yojana was launched in Rajasthan as a pioneering financial inclusion and women empowerment initiative. The program aimed to stream direct benefit transfers directly into bank accounts managed by female heads of families. This structure enhanced transparent distribution of government welfare subsidies while simultaneously elevating women's role in household decision-making processes across the state.

3. (A) Only Statement I is correct
The Mukhyamantri Chiranjeevi Swasthya Bima Yojana provides universal health coverage through cashless medical treatment at empanelled government and private healthcare facilities. However, the premium is not completely free for all residents, as non-vulnerable or non-eligible families must pay an annual nominal premium to register and receive health insurance benefits under this flagship state initiative.

4. (A) P-2, Q-4, R-1, S-3
Rajasthan Financial Corporation provides long-term institutional credit for industrial units, particularly micro, small, and medium enterprises. Rajasthan Cooperative Dairy Federation handles milk procurement from rural cooperative societies and markets dairy products. Rajasthan Grameen Aajeevika Vikas Parishad fosters rural women's self-help groups, whereas RIICO develops state industrial infrastructure and manages industrial areas throughout Rajasthan.

5. (A) The cooperative banking structure in Rajasthan is entirely controlled and funded by private commercial banks.
The cooperative banking framework in Rajasthan operates through a three-tier structure comprising state, central, and primary cooperative institutions rather than private commercial banks. Primary Agricultural Credit Societies function at grassroots levels to provide short-term credit, distribute agricultural inputs like fertilizers, and support diversified rural sectors, including dairy farming, housing networks, and consumer commodity distribution.

6. (B) 1955
The Rajasthan Financial Corporation was established in the year 1955 under the provisions of the State Financial Corporations Act, 1951. Its core objective is to provide long-term institutional financial assistance, term loans, and developmental funding to micro, small, and medium-scale industrial enterprises operating across various sectors in the state of Rajasthan.

7. (A) I and II only
Rajasthan Small Industries Corporation Limited provides comprehensive marketing support, raw material supply, and promotional services to traditional artisans, weavers, and small-scale industries. It markets Rajasthani handicrafts nationally and internationally through dedicated emporiums named Rajasthali. However, it does not function as an apex regulatory body for registering large-scale heavy industrial enterprises across the state.

8. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The Self-Help Group movement serves as an effective mechanism for poverty alleviation in rural Rajasthan by fostering financial self-reliance among women. By encouraging the habit of regular collective savings, facilitating access to affordable credit, and supporting micro-entrepreneurship, these self-managed groups empower rural women economically, which

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47. (D) Assertion (A) is false but Reason (R) is true.
Rajasthan Financial Corporation was established under the statutory provisions of the State Financial Corporations Act, 1951. However, RFC does not cater exclusively to multi-national corporations. Its primary mandate focuses on assisting micro, small, and medium-scale enterprises through long-term credit, modernizing local industries across various industrial sectors in Rajasthan state.

48. (C) To agricultural workers suffering accidental death or injury during work
The Rajiv Gandhi Krishak Sathi Sahayata Yojana provides social security financial assistance to agricultural workers and farmers. It offers monetary compensation in the event of accidental death, loss of limbs, or severe physical incapacitation occurring while operating agricultural machinery, working in mandis, or performing hazardous farming activities across Rajasthan state.

49. (D) Combining funds and infrastructure across schemes for unified development goals
Convergence in welfare scheme governance refers to the strategic integration of resources, institutional infrastructure, and financial allocations across multiple central and state development initiatives. By combining funds and operational efforts from complementary schemes, administration optimizes resource efficiency, prevents redundant expenditures, and achieves holistic socio-economic growth in target rural areas.

50. (B) III only
The Rajasthan Jan Aadhaar Yojana functions under the vision of "One Number, One Card, One Identity" to streamline cash and non-cash welfare transfers. To promote female empowerment, the scheme explicitly designates the adult woman of the household as the head of the family, making the statement mandating a male head completely incorrect.

51. (D) ₹1500
Under the traditional historical payment structure of the Rajasthan Mukhyamantri Ekal Nari Samman Pension Yojana preceding 2024 revisions, financial assistance was structured progressively by age. Beneficiaries aged 75 years and above received fifteen hundred rupees per month, while lower age brackets received five hundred, seven hundred fifty, or one thousand rupees monthly.

52. (D) Zila Pramukh
The District Planning Committee is constituted under Article 243ZD of the Constitution of India to consolidate development plans prepared by Panchayats and Municipalities. In Rajasthan, the elected Zila Pramukh conventionally serves as the Chairperson of the District Planning Committee, while the District Collector functions as the ex-officio Member Secretary of the committee.

53. (C) Both Statement I and Statement II are correct
The cooperative dairy network under Rajasthan Cooperative Dairy Federation follows a three-tier organizational model. At the village level, primary milk producers' cooperative societies directly collect milk from dairy farmers. At the district level, District Milk Producers' Cooperative Unions manage procurement and processing, while RCDF serves as the apex state-level federation body.

54. (C) Mobilizing rural poor women into SHGs for poverty alleviation and sustainable livelihoods
The core strategic mandate of Rajasthan Grameen Aajeevika Vikas Parishad involves empowering rural poor women by organizing them into Self-Help Groups, cluster federations, and economic collectives. Rajeevika provides financial inclusion, credit linkages, capacity building, and skill development to establish sustainable self-employment and micro-enterprise livelihoods across rural areas of Rajasthan state.

55. (C) Registration → Allocation to Department → Resolution by Officer → Citizen Feedback
The online grievance redressal lifecycle on the Rajasthan Sampark portal follows a sequential process. First, the grievance is registered by the citizen. Next, it is allocated to the concerned administrative department, where a designated officer initiates resolution. Finally, the process closes with citizen feedback regarding their satisfaction with the provided resolution.

56. (D) Reserve Bank of India (RBI)
The Reserve Bank of India operates as the central bank and supreme monetary regulatory authority of the country, overseeing currency supply, monetary policy, and commercial

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state with a unified telephonic mechanism to register complaints, seek relevant information regarding government services, track application processing status, and request redressal for administrative grievances concerning various ongoing state social welfare initiatives.

19. (B) Mobilizing local communities, generating scheme awareness, and building capacity among target beneficiaries
Non-Governmental Organizations play a crucial supportive role in last-mile welfare delivery by bridging gaps between administration and citizens. They mobilize marginalized local communities, generate awareness regarding entitled scheme benefits, provide handholding support during application filing, and build skill capacity among beneficiaries to foster active participation in state welfare programs across districts.

20. (C) III only
Mukhyamantri Krishak Sathi Yojana focuses on the agricultural sector by providing financial relief and assistance to farmers and agricultural laborers in case of accidental death or permanent disability while operating farm machinery. It does not belong to MSME industrial support, which makes the third combination incorrect while the other listed pairings are accurate.

21. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Gram Sabhas serve as fundamental institutions for democratic decentralization and grassroots transparency in rural administration. Consisting of all registered adult voters residing within a Gram Panchayat, the Gram Sabha possesses direct local knowledge, enabling it to accurately identify, verify, and validate genuine beneficiaries for various social welfare and development programs effectively.

22. (C) Right to Information Act, 2005
The Jan Soochna Portal was launched by the Government of Rajasthan to institutionalize proactive governance and transparency. It specifically fulfills the mandate of Section 4(2) of the Right to Information Act, 2005, which requires public authorities to voluntarily disclose key government information and scheme details to citizens without individual application requests.

23. (A) Tax-paying families not belonging to any designated vulnerable category
Under the Mukhyamantri Chiranjeevi Swasthya Bima Yojana, fully subsidized zero-premium health coverage is reserved for designated vulnerable categories, including NFSA beneficiaries, small and marginal farmers, street vendors, and departmental contractual workers. Non-vulnerable income-tax-paying families must pay a subsidized fixed annual premium portion to avail of the scheme insurance benefits.

24. (A) Only Statement I is correct
Primary Agricultural Credit Societies function at the village and Gram Panchayat levels to cater to the immediate operational needs of local farmers. Their primary mandate centers on providing short-term credit for seasonal crop cultivation and agricultural inputs like seeds and fertilizers, whereas long-term credit for land development is handled by specialized development banks.

25. (A) I, II, and III only
Rajasthan Financial Corporation operates targeted schemes such as Shilpi Yojana for craftsmen, Flexi Loans for operational business expansion, and Yuva Udyamita Protsahan Yojana to encourage young entrepreneurs. RFC provides repayable term loans with interest structures and does not distribute non-repayable grant funds to multi-national corporations for setting up dedicated special economic zones.

26. (C) Gram Panchayat, Panchayat Samiti, Zila Parishad
Under the three-tier Panchayati Raj system implemented in Rajasthan, institutional administration progresses hierarchically from the village level to the district level. Gram Panchayat forms the foundational grassroots tier at the village level, followed by Panchayat Samiti operating at the block level, and Zila Parishad functioning as the apex institution at the district level.

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27. (C) 6 installments
The Mukhyamantri Rajshree Yojana provides financial aid totaling up to fifty thousand rupees to promote female child welfare, health, and school education in Rajasthan. This assistance is systematically disbursed in six distinct financial installments linked to milestones such as birth, institutional immunization, school enrollments in

ensuring welfare benefits reach the poorest sections first always.

66. (C) PM-Kisan Samman Nidhi (PM-KISAN)
PM-Kisan Samman Nidhi is a Central Sector Scheme funded entirely with 100% financial contribution from the Government of India. Under PM-KISAN, direct income support of six thousand rupees per year is transferred directly into bank accounts of landholding farmer families across states without requiring matching financial contributions from state treasury exchequers.

67. (B) Geo-tagging created assets via mobile apps linked to web dashboards
To monitor physical assets constructed under rural developmental schemes like MGNREGA and watershed management, state agencies implement geo-tagging technology. Using GPS-enabled mobile applications, field workers capture geographic coordinates and stage-wise photographs of assets, uploading them to centralized GIS web dashboards for real-time verification and spatial monitoring across all rural regions.

68. (D) Foster carers or institutions raising orphaned and vulnerable children
Palanhar Yojana is a social security scheme implemented by the Government of Rajasthan to prevent institutionalization of vulnerable children. It provides direct monthly financial assistance, educational subsidies, and healthcare support to foster carers or institutions taking responsibility for raising orphaned, abandoned, or destitute children within a family environment across the state.

69. (A) I and II only
The Gram Vikas Adhikari serves as the administrative secretary to the Gram Panchayat, handling official record keeping, maintaining statutory registers, and implementing decisions approved by the Gram Sabha. However, the officer is an administrative civil servant and does not possess judicial authority to sentence individuals for violating local village norms.

70. (C) PCTS Portal
The Pregnancy, Child Tracking and Health Services System portal in Rajasthan is an online tracking software utilized by health departments. It registers pregnant women, monitors maternal health milestones, tracks infant growth, ensures timely immunizations, and assists in reducing maternal and infant mortality through systematic institutional health surveillance across the state.

71. (A) It exclusively targets urban male youth for skill development in heavy engineering.
Rajasthan Grameen Aajeevika Vikas Parishad is an autonomous society chaired by the Chief Minister of Rajasthan to spearhead rural livelihood initiatives. RGAVP targets rural poor households, primarily mobilizing rural women into self-help groups rather than exclusively targeting urban male youth in heavy engineering, making the first statement completely incorrect.

72. (D) They are designed solely to penalize and dismiss junior-level field staff.
Impact assessment and outcome evaluation studies evaluate whether welfare programs achieve their objective of benefiting target demographics. They analyze implementation bottlenecks, track financial utilization, and provide evidence-based insights for policy formulation and budget adjustments. They are structured to improve public delivery systems rather than serving solely to penalize junior field staff.

73. (B) To advise government on policy and investigate constitutional safeguards for women
The Rajasthan State Commission for Women operates as a statutory advisory and monitoring body established to safeguard women's rights. Its core function involves reviewing constitutional and legal safeguards, investigating complaints regarding atrocities against women, conducting studies on gender disparities, and advising the state government on policy matters concerning female welfare empowerment.

74. (C) A senior administrative officer (IAS/RAS) appointed by the state
At the Zila Parishad level, the executive administrative operations are headed by a Chief Executive Officer. The CEO is a senior civil servant from the Indian Administrative Service or Rajasthan Administrative Service appointed by the state government to manage administrative affairs, oversee development programs, and coordinate multi-departmental welfare activities across the district.

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banking systems. In contrast, NABARD, SIDBI, and RFC function as specialized development finance institutions dedicated to providing direct structural development financing, credit refinancing, and industrial support services.

57. (B) Mahatma Gandhi NREGA
Social Audit is a statutory monitoring mechanism legally mandated under Section 17 of the Mahatma Gandhi National Rural Employment Guarantee Act. It empowers the Gram Sabha to publicly inspect muster rolls, verify financial accounts, assess physical work quality, and hold local administrative implementation bodies accountable for public expenditure transparency in rural works.

58. (B) I, III, and IV only
RajNET provides comprehensive digital connectivity linking state headquarters to rural Gram Panchayats. E-Mitra Plus self-service kiosks enable automated certificate printing and cash transactions. These digital networks strengthen direct benefit transfer delivery. However, E-Mitra kiosks operate extensively across rural as well as urban areas, making the urban-exclusive assertion entirely incorrect.

59. (A) P-2, Q-4, R-1, S-3
Mukhyamantri Laghu Udyog Protsahan Yojana provides interest subvention on loans for micro, small, and medium enterprise establishment. Rajasthan Investment Promotion Scheme grants tax exemptions to boost investments. Mukhyamantri Yuva Sambal Yojana offers unemployment allowances to educated youth, while PM Vishwakarma Yojana supports traditional artisans with modern training and financial credit support.

60. (A) It is the primary constitutional body responsible for conducting Panchayat elections.
RAJFED is the apex cooperative marketing federation in Rajasthan responsible for agricultural crop procurement at Minimum Support Price, marketing agricultural produce, and supplying quality seeds, fertilizers, and pesticides to farmers. Conducting Panchayati Raj elections is not a function of RAJFED; that constitutional duty is performed by the State Election Commission of Rajasthan.

61. (C) Both Statement I and Statement II are correct
Under the Bhamashah Yojana implemented in Rajasthan, household bank accounts were explicitly required to be registered in the name of the female head of the family. This core structural requirement was designed to promote economic financial inclusion, empower women within domestic structures, and enhance female control over household financial welfare disbursements.

62. (B) May 1, 2021
The Mukhyamantri Chiranjeevi Swasthya Bima Yojana was officially launched by the Government of Rajasthan on May 1, 2021. The flagship universal health insurance initiative was introduced to protect households across the state from financial distress by offering cashless medical care, diagnostic services, and hospital coverage in empanelled healthcare institutions state-wide.

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63. (C) Up to ₹20 Crores
The Rajasthan Financial Corporation provides financial credit and term loans to promote industrial establishment and expansion across the state. Under its operational guidelines, RFC generally provides long-term financial loan assistance up to a maximum limit of twenty crore rupees per industrial project to support micro, small, and medium enterprises effectively.

64. (C) 1982
The National Bank for Agriculture and Rural Development was established on July 12, 1982, following the recommendations of the B. Sivaraman Committee. Operating as an apex development bank, NABARD provides refinance facilities, infrastructure funding, and strategic guidance to support rural credit institutions, agriculture, and rural development projects in Rajasthan state.

65. (D) The upliftment and development of the poorest of the poor in society
The philosophy of Antyodaya, conceptualized as "the rise of the last person," focuses on targeted social welfare policy. In administrative governance, it represents a commitment to prioritizing the upliftment, economic security, and development of the most destitute and socio-economically disadvantaged individuals,

CHAPTER 26

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

1. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was officially enacted in which of the following years to provide a statutory guarantee for wage employment?
(A) 2001
(B) 2003
(C) 2005
(D) 2008

2. Which Union Ministry functions as the nodal agency for the implementation and monitoring of MGNREGA at the national level?
(A) Ministry of Panchayati Raj
(B) Ministry of Agriculture and Farmers Welfare
(C) Ministry of Rural Development
(D) Ministry of Social Justice and Empowerment

3. What is the fundamental legal entitlement provided to a rural household under MGNREGA?
(A) 100 days of guaranteed skilled manual wage employment per financial year
(B) 100 days of unskilled manual wage employment per financial year
(C) 150 days of guaranteed semi-skilled wage employment per calendar year
(D) 200 days of guaranteed unskilled manual wage employment per calendar year

4. Under the definitions provided by MGNREGA, how is a "household" determined for the purpose of job card allocation?
(A) Members of a family sharing the same surname and ancestral property
(B) Any group of adults residing in the same village ward
(C) Only blood relatives residing under a single roof
(D) Members of a family living together and sharing a common kitchen

5. Consider the following statements regarding the legal guarantee of work under MGNREGA:
Statement I: The scheme legally binds the government to provide work within 15 days of a valid demand.
Statement II: If the government fails to provide work within 15 days, the applicant is entitled to a daily unemployment allowance.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct and Statement II is the result of Statement I
(B) Both Statement I and Statement II are correct but are independent of each other
(C) Statement I is correct but Statement II is incorrect
(D) Statement I is incorrect but Statement II is correct

6. What is the primary mechanism mandated by MGNREGA for the payment of wages to the workers?
(A) Daily cash disbursement by the Gram Panchayat Sarpanch
(B) Payment through agricultural commodities and food grains equivalent to the wage
(C) Direct transfer to the bank or post office accounts of the workers
(D) Direct transfer to the joint account of the village ward member and the worker

7. Consider the following statements:
Assertion (A): MGNREGA mandates that wage payments must be credited directly to the workers' bank or post office accounts.
Reason (R): Direct benefit transfer was implemented to eliminate middlemen and curb wage leakage and corruption.
Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.

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Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

26. Which predecessor rural employment scheme, launched in 2001 to provide supplementary wage employment and food security, was eventually merged into NREGA?
(A) Jawahar Rozgar Yojana (JRY)
(B) Pradhan Mantri Gram Sadak Yojana (PMGSY)
(C) Sampoorna Grameen Rozgar Yojana (SGRY)
(D) Swarnjayanti Gram Swarozgar Yojana (SGSY)

27. The Employment Assurance Scheme (EAS), one of the key precursor programs to MGNREGA aiming to provide employment during the lean agricultural season, was launched in which year?
(A) 1989
(B) 1993
(C) 1999
(D) 2004

28. What is the fundamental conceptual difference between earlier employment schemes like SGRY and the current MGNREGA framework?
(A) SGRY was allocation-based, while MGNREGA is a rights-based guarantee
(B) SGRY was strictly a demand-driven scheme, whereas MGNREGA operates on an allocation-based framework
(C) SGRY focused exclusively on urban areas, whereas MGNREGA focuses entirely on remote rural regions
(D) SGRY provided cash payments only, whereas MGNREGA provides direct transfers along with food grains

29. Which of the following was a pioneering state-level employment guarantee scheme that historically inspired the formulation of the national MGNREGA?
(A) Rajasthan Grameen Rozgar Guarantee Yojana
(B) Maharashtra Employment Guarantee Scheme
(C) Kerala State Poverty Eradication Mission
(D) Gujarat State Rural Wage Employment Program

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30. Match the rural employment/poverty alleviation schemes (List I) with their respective launch years (List II).
List I: (Schemes)
P. National Rural Employment Guarantee Act
Q. Sampoorna Grameen Rozgar Yojana
R. Employment Assurance Scheme
S. National Food for Work Programme
List II: (Launch Years)
1. 1993
2. 2001
3. 2004
4. 2005
(A) P-4, Q-2, R-1, S-3
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-3, R-4, S-1

31. During the lean agricultural season, MGNREGA plays a critical role in rural poverty reduction primarily by:
(A) Offering alternative income support during low agricultural demand
(B) Providing highly skilled permanent government jobs to all registered small and marginal farmers
(C) Guaranteeing comprehensive minimum support prices for all harvested agricultural produce
(D) Supplying free modern agricultural machinery and equipment directly to small farmers

32. Consider the following statements regarding the renaming of the rural employment act:
I. The original legislation was passed in 2005 as the National Rural Employment Guarantee Act (NREGA).
II. It was renamed to include "Mahatma Gandhi" (MGNREGA) on October 2, 2009.
III. The renaming process simultaneously increased the baseline legal guarantee from 100 to 150 days nationwide.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

(B) 60:40
(C) 40:60
(D) 75:25

17. Which of the following types of assets is traditionally given the highest priority for creation under MGNREGA, especially in states like Rajasthan?
(A) Large-scale urban housing complexes and commercial zones
(B) Multi-lane state highways and expressways
(C) Industrial parks and special economic infrastructure
(D) Water conservation structures

18. Consider the following statements regarding permissible works under MGNREGA:
I. Construction of check dams and percolation tanks.
II. Renovation of traditional water bodies such as Johads.
III. Construction of rural road connectivity infrastructure.
IV. Procurement of heavy mechanized excavators for village mining.
Which of the above statements is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

19. Identify the traditional water conservation structure extensively rejuvenated in Rajasthan using MGNREGA funds.
(A) Stepwells (Baoris) built exclusively with cement
(B) Johads and earthen check dams
(C) Subterranean concrete aqueducts
(D) Desalination ponds

20. Which of the following represents an incorrect pairing of a concept with its MGNREGA mechanism?
(A) Primary transparency mechanism - Social Audit framework
(B) Statutory identification document - Family Job Card
(C) Daily attendance record - Worksite Muster Roll
(D) Grievance redressal - Supreme Court

21. What is the primary objective of conducting a "Social Audit" under MGNREGA?
(A) To ensure public accountability and detect execution anomalies
(B) To evaluate the long-term commercial profitability and revenue generation of all created assets
(C) To determine the electoral voting patterns and political affiliations of the registered workers
(D) To calculate the state's overall gross domestic product and macroeconomic growth contribution

22. Which of the following represents the correct sequential order of the initial processes for a rural household seeking employment under MGNREGA?
(A) Demand for work, Registration, Issuance of Job Card, Allocation of work
(B) Registration, Issuance of Job Card, Demand for work, Allocation of work
(C) Issuance of Job Card, Registration, Allocation of work, Demand for work
(D) Registration, Demand for work, Allocation of work, Issuance of Job Card

23. In Rajasthan, under specific state government provisions integrated with rural employment guarantee, how many additional days of employment are provided to households belonging to the Sahariya, Khairwa, and Kathodi tribes?
(A) 25 additional days
(B) 50 additional days
(C) 100 additional days
(D) 150 additional days

24. Identify the correct statement regarding the financial burden-sharing mechanism between the Center and the States under MGNREGA for the first 100 days of work.
(A) The State Government bears 100% of the cost of unskilled manual labour
(B) The Central Government bears 100% of the cost of both material and skilled labour
(C) The State Government bears 50% of the cost of unskilled manual labour
(D) The Central Government bears 100% of the cost of unskilled manual labour

25. Consider the following statements:
Assertion (A): Social audits under MGNREGA are strictly conducted by private external commercial auditing firms.
Reason (R): The Gram Sabha has the statutory authority and responsibility to conduct the social audit of all local works.

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(D) Assertion (A) is false but Reason (R) is true.

8. In cases where wage payments under MGNREGA are delayed beyond 15 days of the closure of the muster roll, what compensation is the worker legally entitled to?
(A) 0.05 percent of the unpaid wages per day of delay
(B) 0.50 percent of the unpaid wages per day of delay
(C) A flat rate of 100 rupees for every week of delay
(D) 1.5 percent of the unpaid wages per day of delay

9. Which of the following worksite facilities is NOT legally mandated to be provided by the implementing agency under MGNREGA?
(A) Safe and clean drinking water for all workers at the site
(B) Free daily transportation to the worksite
(C) First aid box equipped for emergency medical treatment
(D) Adequate shade facilities for mandatory periods of rest

10. Match the worksite facilities under MGNREGA (List I) with their corresponding statutory provisions (List II).
List I: (Worksite Facilities)
P. Drinking water
Q. Crèche facility
R. First aid box
S. Shade
List II: (Statutory Provisions)
1. Mandatory for periods of rest during work hours
2. Mandatory if more than five children under the age of six are present
3. Mandatory to treat minor worksite injuries and emergencies
4. Mandatory sufficient supply for all workers at the site
(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-1, Q-2, R-3, S-4

11. Identify the incorrect statement regarding the Gram Sabha's role in the implementation of MGNREGA.
(A) It determines the order of priority of works to be taken up in the village
(B) It monitors the execution of works within the Gram Panchayat
(C) It conducts the social audit of all MGNREGA projects executed in its jurisdiction
(D) It is the primary authority responsible for disbursing wages to the workers

12. Consider the following statements regarding the responsibilities of the Gram Panchayat under MGNREGA:
I. Receiving applications for registration and verifying them.
II. Issuing Job Cards to eligible registered households.
III. Allocating employment within 15 days of receiving an application for work.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

13. According to the structural framework of MGNREGA, who approves the annual village development plan and the shelf of projects?
(A) The Block Development Officer
(B) The Gram Sabha
(C) The District Collector
(D) The State Employment Guarantee Council

14. What is the statutory minimum requirement for women's participation in the workforce under MGNREGA?
(A) One-fourth of the total workers must be women
(B) One-third of the total workers must be women
(C) Half of the total workers must be women
(D) Two-thirds of the total workers must be women

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15. If a worksite under MGNREGA employs 120 workers on a given day, what is the legally mandated minimum number of women workers that should be part of this workforce?
(A) 30
(B) 40
(C) 50
(D) 60

16. What is the standard prescribed ratio of wage costs to material costs that must be maintained at the Gram Panchayat level for all MGNREGA works?
(A) 50:50

33. Which of the following programs was NOT a predecessor or merged into the rural employment guarantee framework of MGNREGA?
(A) National Food for Work Programme initiative
(B) Sampoorna Grameen Rozgar Yojana framework
(C) Employment Assurance Scheme program
(D) Pradhan Mantri Kisan Samman Nidhi

34. A major implementation bottleneck affecting worker trust in MGNREGA is the issue of "delayed payments". According to scheme guidelines, the payment process must be completed, and funds credited to the worker's account within how many days of the closure of the muster roll?
(A) 7 days
(B) 15 days
(C) 30 days
(D) 45 days

35. Identify the incorrect statement concerning common criticisms and corruption concerns associated with MGNREGA.
(A) Fictitious and non-existent worker names are routinely added to official muster rolls by local officials to siphon off public funds
(B) The scheme relies exclusively on heavy machinery, eliminating all manual wage employment
(C) The structural quality and long-term utility of rural community assets created under the scheme are frequently questioned for lacking durability
(D) Registered manual workers across various states frequently face severe administrative delays in receiving their statutory wage compensation

36. Which of the following best describes "Ghost Workers" in the context of MGNREGA corruption?
(A) Registered rural workers who perform manual labor exclusively during overnight work shifts
(B) Seasonal migrant labourers who frequently move between different administrative districts for employment
(C) Senior administrative and technical staff members who remotely monitor rural worksites via satellite
(D) Fake or deceased persons listed on muster rolls to steal wages

37. Which of the following is considered an "exception" or violation of MGNREGA's core execution guidelines?
(A) Hiring private contractors to execute village works
(B) Utilizing manual labour for digging percolation tanks and water conservation structures
(C) Appointing trained local women to serve as official worksite Mates and supervisors
(D) Providing strictly equal wages to both male and female workers performing identical tasks

38. Consider the following statements detailing implementation gaps in MGNREGA worksites:
I. Absence of mandated drinking water facilities.
II. Lack of shade for resting during peak summer.
III. Non-availability of a functional first aid kit.
IV. Absence of mandatory crèche facilities when required numbers of young children are present.
Which of the above statements represents the facility gaps frequently highlighted in worksite audits?
(A) I and II only
(B) I, III and IV only
(C) II, III and IV only
(D) I, II, III and IV

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39. Convergence of MGNREGA with the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) primarily aims to achieve which of the following outcomes?
(A) Enhancing watershed development and irrigation potential
(B) Expanding high-speed rural internet connectivity and digital infrastructure
(C) Constructing modern primary health care centres and medical units in tribal belts
(D) Distributing subsidized chemical fertilizers and high-yield seeds to marginal farmers

40. Which of the following represents a correct pair of a rural scheme and its typical convergence activity with MGNREGA?
(A) Pradhan Mantri Awas Yojana (Grameen) - Direct distribution of free food grains and emergency rations
(B) National Rural Livelihood Mission - Construction of multi-lane national highways and expressways

(C) Jal Jeevan Mission - Providing comprehensive agricultural crop insurance and financial credit
(D) Swachh Bharat Mission (Grameen) - Individual Household Latrines (IHHL)

41. The Management Information System (MIS) utilized to maintain complete digital records of MGNREGA implementation across India is known as:
(A) NREGA-Darpan
(B) NREGASoft
(C) e-Panchayat
(D) MGNREGA-Track

42. Arrange the following processes of wage payment under MGNREGA in the correct sequential order of occurrence:
1. Generation of the Wage List
2. Recording daily attendance on the Muster Roll
3. Creation of the Fund Transfer Order (FTO)
4. Measurement of work output by the technical assistant

Select the correct order:
(A) 2, 4, 1, 3
(B) 2, 1, 4, 3
(C) 4, 2, 1, 3
(D) 1, 2, 4, 3

43. Geotagging of assets created under MGNREGA is primarily implemented to:
(A) Track the daily physical movements and GPS coordinates of individual workers
(B) Monitor the exact groundwater levels and hydrological changes of the village in real-time
(C) Calculate the precise travel distance between each worker's home and the designated worksite
(D) Verify assets digitally and prevent duplicate billing

44. What role did MGNREGA play during periods of severe economic distress, such as the COVID-19 pandemic?
(A) It served as a vital safety net during reverse migration
(B) It was temporarily suspended nationwide to reallocate all fiscal resources toward medical research
(C) It was structurally converted into an employment scheme exclusively for urban sanitation workers
(D) It restricted work allocations strictly to seasonal agricultural harvesting activities on private farms

45. Consider the following statements:
Assertion (A): During agricultural distress or drought years, demand for MGNREGA work typically decreases.
Reason (R): Workers migrate to urban centers entirely, abandoning the village economy during droughts.
Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

46. Under the MGNREGA framework, what is the primary function of the Electronic Fund Management System (e-FMS)?
(A) To collect local rural property taxes and municipal development fees electronically
(B) To ensure direct electronic wage transfers to worker accounts
(C) To track the daily attendance and performance metrics of Gram Panchayat officials
(D) To auction public rural community assets and infrastructure to private commercial bidders

47. Wage rates for manual workers under MGNREGA are revised annually. These revisions are currently linked to which of the following economic indices?
(A) Consumer Price Index for Agricultural Labourers
(B) Consumer Price Index for Urban Industrial Workers (CPI-IW)
(C) National Wholesale Price Index across all commodities (WPI)
(D) Annual Gross Domestic Product Implicit Price Deflator (GDP Deflator)

48. Identify the correct statement regarding the notification of MGNREGA wage rates.
(A) Wage rates are uniform and identical across all states in India
(B) Wage rates are determined independently by each Gram Panchayat based on local

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inflation
(C) Wage rates are notified state-wise by the Central Government
(D) Wage rates fluctuate daily based on the stock market performance

49. What is the statutory minimum age requirement for a person to register and seek employment under MGNREGA?
(A) 16 years
(B) 18 years
(C) 21 years
(D) 25 years

50. Match the MGNREGA implementing authorities (List I) with their respective roles/levels (List II).
List I: (Implementing Authorities)
P. Gram Panchayat
Q. Programme Officer
R. District Programme Coordinator
S. State Employment Guarantee Council
List II: (Roles/Levels)
1. Advises the State Government on MGNREGA implementation
2. Coordinates and monitors the scheme at the district level
3. Consolidates plans and coordinates execution at the Block/Panchayat Samiti level
4. Receives applications and issues Job Cards at the village level
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-3, R-2, S-4

51. Which of the following represents an "Odd one out" when assessing the core features of MGNREGA?
(A) Bottom-up decentralized planning and decision-making through local Gram Sabhas
(B) Mandatory use of heavy machinery for earthworks
(C) Legally enforceable statutory right to 100 days of unskilled employment per household
(D) Mandatory entitlement to daily unemployment allowance for delayed work allocation

52. Consider the following statements regarding work execution under MGNREGA:
I. Engagement of private contractors for execution of works is strictly prohibited.
II. The use of labour-displacing machinery is generally banned.
III. The scheme guarantees 100 days of work exclusively to skilled rural artisans.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

53. If work is allocated to a registered MGNREGA worker beyond a 5 km radius from their village, what additional benefit is the worker entitled to?
(A) An additional 10% of the wage rate
(B) A free all-weather bicycle provided directly by the local Gram Panchayat
(C) A mandatory 20% reduction in the required daily physical work output target
(D) An immediate statutory guarantee of an additional 25 days of annual employment

54. Consider the following statements regarding worksite supervision:
Statement I: The Gram Rozgar Sahayak is responsible for maintaining worksite records and assisting the Gram Panchayat.
Statement II: The "Mate" is a local worksite supervisor who records daily attendance and oversees the work output.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct and Statement II is the result of Statement I
(B) Both Statement I and Statement II are correct but are independent of each other
(C) Statement I is correct but Statement II is incorrect
(D) Statement I is incorrect but Statement II is correct

55. In the context of worksite supervision under MGNREGA, who among the following is highly preferred and prioritized to be appointed as a worksite "Mate"?
(A) Local women workers
(B) Retired military personnel
(C) Graduate youths from urban areas
(D) Technical engineers from the district headquarters

56. What is the most appropriate reason for the State of Rajasthan prioritizing water conservation works (like Johads and check dams) under MGNREGA?
(A) To active support and expand the state's

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71. Future reforms proposed for MGNREGA, such as "Project LIFE-MGNREGA", place a strong emphasis on which of the following objectives?
(A) Skilling workers and creating durable assets
(B) Completely phasing out the statutory employment guarantee scheme entirely within the next decade
(C) Systematically replacing all manual wage labour entirely with automated robotic excavation technology
(D) Converting all wage payments from national currency into international foreign exchange transfers

72. Consider the following statements regarding the technological and future reforms implemented in MGNREGA:
I. The Aadhaar Based Payment System (ABPS) has been mandated to ensure targeted delivery and reduce wage leakage.
II. Geo-tagging of created assets is being utilized to enhance transparency and traceability.
III. Complete privatization of the scheme execution has been introduced to bypass the Gram Panchayat.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

73. The successful implementation of the Aadhaar Based Payment System (ABPS) for MGNREGA workers requires which of the following prerequisites?
(A) Linking the worker's Aadhaar number with a valid international passport and immigration database
(B) Seeding Aadhaar with the bank account and mapping it with NPCI
(C) Depositing a mandatory refundable cash security fee in the local post office savings account
(D) Surrendering the original physical Job Card permanently to the designated commercial bank manager

74. The National Mobile Monitoring System (NMMS) application was recently introduced in MGNREGA primarily to:
(A) Allow registered rural workers to play interactive educational games during mandatory rest periods
(B) Broadcast state-sponsored agricultural advertisements and weather updates directly to worker phones
(C) Capture real-time attendance and geo-tagged site photos
(D) Process and issue immediate low-interest digital micro-loans to small and marginal rural farmers

75. To handle complaints, investigate corruption, and ensure a robust grievance redressal mechanism under MGNREGA, an independent authority known as the "Ombudsman" is established at which administrative level?
(A) Gram Panchayat level
(B) Block/Tehsil level
(C) District level
(D) National level

76. Which of the following institutions does NOT have a designated statutory role in the direct planning, execution, or auditing of MGNREGA works?
(A) Reserve Bank of India (RBI)
(B) Gram Sabha
(C) State Employment Guarantee Council
(D) Comptroller and Auditor General of India (CAG)

77. If a rural household consists of a husband, wife, and two adult sons all willing to perform unskilled manual labour, how will their Job Card registration be processed under MGNREGA?
(A) Four separate and independent Job Cards will be issued, one for each adult individual
(B) One Job Card for the household listing all adult members
(C) Two separate Job Cards will be issued, one for the parents and one for the adult sons
(D) Only the designated head of the household will be officially registered and allowed to work

78. Consider the following statements regarding the core time-bound entitlements under MGNREGA:
I. A Job Card must be issued within 15 days of a valid application.
II. Employment must be provided within 15 days of demanding work.
III. Wages must be paid within 15 days of the closure of the muster roll.
IV. Unemployment allowance must be paid if work is not provided within 15 days.
Which of the above statements is/are correct?
(A) I and II only

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64. Which of the following road and infrastructure connectivity works is generally NOT permitted under MGNREGA?
(A) Construction of all-weather rural roads connecting unconnected habitations
(B) Construction of cement concrete roads within the village
(C) Upgradation of National Highways using mechanical pavers
(D) Construction of culverts and cross-drainage structures on rural roads

65. Consider the following statements:
Assertion (A): MGNREGA has significantly contributed to the financial independence and empowerment of rural women.
Reason (R): The Act mandates equal wages for men and women and requires that at least one-third of the workforce must be women.
Which of the following options is correct?
(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

66. The mandated wage-material ratio of 60:40 under MGNREGA is calculated at which administrative level to ensure labour-intensive works are prioritized?
(A) Entire District level administrative unit
(B) Intermediate Block level administrative unit
(C) Gram Panchayat level
(D) State Government level administrative unit

67. A marginal farmer belonging to a Scheduled Caste community wishes to use MGNREGA labour to level his agricultural land and dig an irrigation well. Is this permissible under the Act?
(A) No, MGNREGA wage and material funds can strictly and exclusively be utilized for creating community assets on public government land
(B) Yes, land development works are allowed on private lands of eligible marginal farmers
(C) Yes, but only under the statutory condition that the beneficiary farmer completely repays the total wage cost to the government within 5 years
(D) No, all individual agricultural and land development activities are strictly excluded from the statutory purview of MGNREGA

68. Consider the following statements concerning the provision of work allocation under MGNREGA:
Statement I: The executing agency must provide work to the applicant within a 5 km radius of the village.
Statement II: If work is provided beyond the 5 km radius, the worker is not entitled to any extra compensation.
Which of the following options is correct?
(A) Both Statement I and Statement II are correct and Statement II is the result of Statement I
(B) Both Statement I and Statement II are correct but are independent of each other
(C) Statement I is correct but Statement II is incorrect
(D) Statement I is incorrect but Statement II is correct

69. Which of the following is an "Odd one out" when identifying the statutory roles of the Gram Sabha under MGNREGA?
(A) Printing and minting currency notes
(B) Formulating and recommending local village development works
(C) Conducting statutory social audits of all executed projects
(D) Formally approving the annual village development plan

70. Match the technical terms associated with MGNREGA (List I) with their specific definitions/functions (List II).
List I: (Technical Terms)
P. Job Card
Q. Muster Roll
R. Measurement Book
S. NREGASoft
List II: (Definitions/Functions)
1. Digital platform for maintaining comprehensive scheme data
2. Document recording the physical output of work done by labourers
3. Primary document recording daily worker attendance at the site
4. Basic identity document issued to registered households
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-2, R-3, S-4

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burgeoning inland fishing industry in arid desert areas
(B) To fully fulfill statutory requirements for securing major international tourism development grants
(C) To clear vast stretches of rural community land for constructing commercial solar power parks
(D) To mitigate arid climate, groundwater depletion, and droughts

57. Under the Rajasthan Mukhyamantri Grameen Rozgar Guarantee Yojana, the state government provides an additional 25 days of employment to general households who complete 100 days. Who bears the financial cost of these additional 25 days?
(A) The Central Government completely
(B) The State Government entirely from its own budget
(C) Shared equally (50:50) between the Center and the State
(D) Funded by World Bank grants

58. Consider the following statements regarding Rajasthan's specific implementation of MGNREGA:
I. General households completing 100 days are eligible for an additional 25 days of work funded by the state.
II. Specialized tribes such as Sahariya and Kathodi are entitled to a total of 200 days of work.
III. Water conservation works form the overwhelming majority of assets created in the state.
IV. The state has completely exempted women from working on MGNREGA sites to focus on self-help groups.
Which of the above statements is/are correct?
(A) I, II and III only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

59. Identify the incorrect statement regarding the application of MGNREGA provisions in Rajasthan.
(A) The state mandates an extensive and comprehensive network of independent social audits to monitor all local works
(B) The state actively converges MGNREGA manual labour with large-scale watershed development and soil conservation programs
(C) Wage payments are predominantly and mandatorily processed through the centralized Aadhaar Based Payment System (ABPS)
(D) Construction of private swimming pools for farmers

60. Before MGNREGA became a nationwide act, which state's employment guarantee scheme acted as the primary operational blueprint emphasizing a rights-based approach?
(A) Maharashtra
(B) Tamil Nadu
(C) Punjab
(D) West Bengal

61. Who is statutorily mandated to conduct the Social Audit of all MGNREGA works executed within a village?
(A) The State Accountant General
(B) The Gram Sabha
(C) The Block Development Officer
(D) The District Collector

62. Which of the following represents the correct sequential order of the Social Audit process under MGNREGA?
(A) Verification by Social Audit Unit, Preparation of records by Gram Panchayat, Presentation in Gram Sabha, Corrective action
(B) Preparation of records by Gram Panchayat, Verification by Social Audit Unit, Presentation in Gram Sabha, Corrective action
(C) Presentation in Gram Sabha, Verification by Social Audit Unit, Preparation of records by Gram Panchayat, Corrective action
(D) Corrective action, Preparation of records by Gram Panchayat, Verification by Social Audit Unit, Presentation in Gram Sabha

63. Which of the following is a correct pairing of a permissible MGNREGA activity and its category?
(A) Afforestation - Drought proofing
(B) Constructing a Panchayat Bhavan - Individual beneficiary asset
(C) Leveling land for a large corporate farm - Rural infrastructure
(D) Digging a village pond - Urban sanitation

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(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

79. Identify the incorrect statement regarding the 100-day employment guarantee limit.
(A) Unused entitlement days automatically carry forward to the next financial year
(B) The guaranteed 100 days of annual employment are strictly calculated per registered household, rather than per individual adult member
(C) Multiple adult members belonging to the same registered household are legally permitted to share the 100 days of work among themselves
(D) The respective State government is fully empowered to provide additional employment beyond 100 days funded entirely from its own state budget

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80. Arrange the following historical rural employment schemes in chronological order from earliest to most recent:
1. Sampoorna Grameen Rozgar Yojana (SGRY)
2. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
3. Employment Assurance Scheme (EAS)
4. Jawahar Rozgar Yojana (JRY)

Select the correct order:
(A) 4, 3, 1, 2
(B) 3, 4, 1, 2
(C) 4, 1, 3, 2
(D) 1, 3, 4, 2

ANSWERS

1. (C) 2005
The Mahatma Gandhi National Rural Employment Guarantee Act was enacted by the Parliament of India in September 2005. The legislation created a legal mandate providing wage employment opportunities to rural households. It officially came into force in February 2006 across designated backward districts before gradually expanding to cover all rural areas nationwide.

2. (C) Ministry of Rural Development
The Ministry of Rural Development serves as the central nodal authority responsible for policy formulation, funding distribution, overall supervision, and administrative oversight of the employment guarantee scheme nationwide. While Gram Panchayats handle execution at the local level, administrative guidelines and operational policies are framed and monitored directly by this central ministry.

3. (B) 100 days of unskilled manual wage employment per financial year
The Mahatma Gandhi National Rural Employment Guarantee Act guarantees up to one hundred days of wage employment in every financial year to every rural household whose adult members volunteer to do unskilled manual work. This entitlement aims to enhance livelihood security in rural areas by providing supplementary wage employment on demand.

4. (D) Members of a family living together and sharing a common kitchen
Under statutory provisions of rural employment legislation, a household is defined as a cluster of individuals residing together and sharing a common hearth or kitchen. This administrative definition determines entitlement units for job card issuance, ensuring that all adult residents living in a single domestic unit share the baseline work entitlement.

5. (A) Both Statement I and Statement II are correct and Statement II is the result of Statement I
The legislation establishes a statutory right to work within fifteen days of submitting an employment application. Failure by state authorities to provide employment within this mandatory timeframe automatically triggers the legal obligation to pay daily unemployment allowances, creating a direct causal link between delayed work allocation and financial liability for the government.

6. (C) Direct transfer to the bank or post office accounts of the workers
To enforce transparency and eliminate middleman exploitation, rural employment guidelines mandate direct financial disbursements. Wages earned by manual laborers are directly transferred into individual or joint institutional accounts held at commercial banks, regional rural banks, or post offices, effectively phasing out cash disbursements previously handled by local village functionaries or worksite supervisors.

7. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
Direct Benefit Transfer serves as the core financial mechanism to ensure operational integrity in wage payment delivery under national rural employment guarantee programs. Statutory mandates enforce direct electronic money transfers to institutional accounts specifically to bypass intermediaries, eliminate phantom beneficiaries, curb corruption, and prevent financial leakages that historically plagued rural wage administration.

8. (A) 0.05 percent of the unpaid wages per day of delay
Statutory guidelines mandate that wages must be disbursed within fifteen days from the date muster rolls are closed. If wage payments are delayed beyond this legal window, workers are entitled to statutory compensation calculated at a rate of 0.05 percent of unpaid earnings per day of delay until full payment is finalized.

9. (B) Free daily transportation to the worksite
Statutory provisions require specific facilities at employment sites, including safe drinking water, adequate shade for rest periods, first aid kits, and child crèche arrangements when required. Daily transportation to worksites is not a statutory right, although additional compensation is paid

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if the allocated site lies beyond a designated five-kilometer radius from the worker's home village.

10. (A) P-4, Q-2, R-3, S-1
Worksite provisions are legally defined under Section II of the Act. Sufficient drinking water must be provided for all workers at every location. Crèche facilities are mandatory when more than five children under six accompany workers. First aid kits manage emergency injuries, while shade is strictly required for mandated rest breaks during working hours.

11. (D) It is the primary authority responsible for disbursing wages to the workers
The Gram Sabha plays an essential role in decentralization by identifying local work priorities, approving village development plans, and executing periodic social audits. However, disbursing wages is not its statutory role, as wage payments are transferred directly from state funds into individual bank or post office accounts of registered workers.

12. (D) I, II and III
Gram Panchayats serve as principal planning and execution authorities under the rural employment framework. Their primary statutory duties include receiving household registration applications, verifying local details, issuing official Job Cards, receiving work applications, and allocating employment to eligible candidate workers within fifteen days of receiving formal work demands.

13. (B) The Gram Sabha
Decentralized grassroots democracy forms the core planning mechanism of rural employment legislation. The Gram Sabha holds statutory authority to deliberate upon, prioritize, and formally approve the annual village development plan along with the shelf of recommended projects before official administrative sanction is granted by block and district authorities.

14. (B) One-third of the total workers must be women
Gender inclusivity is a fundamental statutory objective embedded within national rural employment legislation. The governing statute explicitly mandates that at least one-third of all beneficiaries who register and are allocated manual labor across worksites must be women, encouraging financial independence and guaranteeing wage parity among female workers.

15. (B) 40
Statutory provisions require that women constitute at least one-third of the total labor force employed on any given project. Calculating one-third of a workforce totaling one hundred twenty workers establishes a mandatory minimum baseline of forty female workers who must be provided work at that specific project site.

16. (B) 60:40
To maintain the labor-intensive core of rural employment guarantee schemes, rules mandate a fixed expenditure ratio between labor wages and material costs. At the Gram Panchayat level, at least sixty percent of total project spending must go toward wages for manual labor, while materials and skilled costs cannot exceed forty percent.

17. (D) Water conservation structures
In arid and semi-arid regions like Rajasthan, natural resource management forms the operational cornerstone of rural infrastructure development. Maximum priority is given to water conservation and harvesting structures, including check dams, percolation tanks, and pond desilting, to recharge declining groundwater levels, enhance soil moisture, and combat recurring severe drought conditions.

18. (A) I, II and III only
Permissible works under rural employment regulations cover water harvesting structures, check dams, rejuvenation of traditional water bodies like Johads, and rural roads for connectivity. Heavy mechanized equipment and excavators are explicitly barred because the program emphasizes manual labor generation and strictly prohibits machinery that displaces human workers on worksites.

19. (B) Johads and earthen check dams
Johads are traditional earthen check dams constructed across small seasonal streams to capture rainwater and recharge underlying aquifers in Rajasthan. Through public employment guarantee programs, these traditional community structures have been extensively restored, desilted, and rebuilt, boosting agricultural productivity, improving

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livestock water availability, and enhancing ecological resilience.

20. (D) Grievance redressal - Supreme Court
Grievance redressal in rural employment operations relies on localized administrative mechanisms, including designated Block Programme Officers, District Programme Coordinators, and independent District Ombudsmen. Approaching the Supreme Court represents an extraordinary legal remedy rather than a routine administrative dispute redressal mechanism established within official scheme guidelines for local labor issues.

21. (A) To ensure public accountability and detect execution anomalies
Social audits empower local communities by reviewing project implementation directly at the grassroot level. Conducted under the supervision of the Gram Sabha, social audits verify official program records against ground realities, ensure total transparency in wage payments, evaluate asset quality, detect administrative irregularities or corruption, and promote direct public accountability.

22. (B) Registration, Issuance of Job Card, Demand for work, Allocation of work
The operational workflow for obtaining rural employment starts with household registration at the Gram Panchayat. Following administrative verification, a legal Job Card is issued to the household. Registered cardholders then submit a formal demand for work specifying preferred dates, after which the implementing authority allocates work within fifteen days.

23. (C) 100 additional days
Recognizing extreme socio-economic vulnerability among particularly vulnerable tribal groups in Rajasthan, the state government provides enhanced employment support. Eligible households belonging to the Sahariya, Khairwa, and Kathodi tribes receive one hundred additional days of guaranteed work funded by the state, bringing their total combined annual entitlement to two hundred days.

24. (D) The Central Government bears 100% of the cost of unskilled manual labour
Under the financial framework of national rural employment legislation, the Central Government bears one hundred percent of the total cost incurred on wages for unskilled manual labor. Meanwhile, expenses related to materials, skilled labor wages, and overall administrative costs are shared between central and state governments in fixed statutory ratios.

25. (D) Assertion (A) is false but Reason (R) is true.
Social audits are legally mandated to be conducted directly by local communities and Gram Sabhas, supported by independent state social audit units, rather than private commercial audit firms. The Gram Sabha possesses statutory authority to examine all execution records, inspect physical structures, and verify muster rolls to ensure complete public accountability.

26. (C) Sampoorna Grameen Rozgar Yojana (SGRY)
Launched in September 2001, the Sampoorna Grameen Rozgar Yojana aimed to provide wage employment, food security, and durable community infrastructure across rural India. When the National Rural Employment Guarantee Act was rolled out in 2006, SGRY was formally merged into the new statutory employment program alongside other existing rural work initiatives.

27. (B) 1993
The Employment Assurance Scheme was launched in October 1993 to provide gainful wage employment during lean agricultural seasons to rural adults residing in drought-prone, tribal, desert, and hill areas. Designed as an allocation-driven poverty alleviation measure, it served as a significant administrative precursor to the rights-based employment guarantee framework introduced in 2005.

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28. (A) SGRY was allocation-based, while MGNREGA is a rights-based guarantee
Earlier programs like SGRY operated on discretionary budget allocations where employment availability depended on annual fund distribution by central and state governments. In contrast, the current framework is a legal, demand-driven mandate where employment is a statutory entitlement, legally obligating state machinery to provide work or compensate workers via unemployment allowances.

29. (B) Maharashtra Employment Guarantee Scheme
The Maharashtra Employment Guarantee Scheme, introduced in the 1970s, established

a pioneering state-funded model guaranteeing unskilled manual work to rural citizens upon demand. Its success in mitigating rural distress, curbing distress migration, and providing social protection served as the primary operational and conceptual model for drafting India's comprehensive nationwide employment guarantee legislation.

30. (A) P-4, Q-2, R-1, S-3
Rural wage employment schemes evolved progressively in India over past decades. The Employment Assurance Scheme was launched in 1993, followed by the Sampoorna Grameen Rozgar Yojana in 2001. The National Food for Work Programme was established in 2004, and the landmark National Rural Employment Guarantee Act was officially enacted in 2005.

31. (A) Offering alternative income support during low agricultural demand
During lean agricultural seasons, local demand for farm labor drops significantly, causing widespread underemployment and economic vulnerability among landless rural laborers. Rural employment guarantee schemes absorb this labor surplus by providing guaranteed manual work on public infrastructure, offering vital alternative wage income that prevents distress migration and stabilizes household consumption.

32. (A) I and II only
The employment guarantee legislation was enacted in 2005 under the title NREGA and was formally renamed MGNREGA on October 2, 2009, honoring Mahatma Gandhi. However, renaming the statute did not automatically increase the baseline national work guarantee of one hundred days, which remains the standard statutory entitlement threshold across all Indian states.

33. (D) Pradhan Mantri Kisan Samman Nidhi
The Pradhan Mantri Kisan Samman Nidhi is a direct income support scheme providing direct annual cash transfers to eligible landholding farmer families, launched in 2019. It operates entirely independently from rural wage employment schemes and was never merged into the employment guarantee framework, unlike historic precursor schemes like SGRY and NFFWP.

34. (B) 15 days
Statutory operational guidelines dictate that complete wage disbursement must occur within fifteen days of muster roll closure. Timely payments sustain worker trust and rural financial stability. Any administrative delay beyond this mandatory fifteen-day window legally obligates state authorities to pay delay compensation to affected workers at designated daily statutory rates.

35. (B) The scheme relies exclusively on heavy machinery, eliminating all manual wage employment
A core statutory mandate of rural employment guarantee programs is prioritizing manual labor and explicitly restricting heavy machinery to protect worker livelihoods. Common criticisms of the scheme center on delayed wage payments, phantom workers on official muster rolls, and variable asset quality, rather than reliance on machinery which remains legally prohibited.

36. (D) Fake or deceased persons listed on muster rolls to steal wages
In welfare administrative terminology, ghost workers refer to fictitious, duplicate, or deceased individuals illegally recorded on official attendance muster rolls by corrupt intermediaries. Their inclusion allows dishonest functionaries to draw wage disbursements fraudulently, making biometric digital attendance tracking and Aadhaar verification critical administrative counter-measures for eliminating local wage leakages.

37. (A) Hiring private contractors to execute village works
Statutory scheme rules strictly ban private contractors and commercial intermediaries from executing rural employment works. This legal prohibition prevents commercial exploitation, ensures that public budget funds directly benefit local manual laborers, and upholds community transparency. Tasks must be planned, implemented, and monitored directly by Gram Panchayats and village work teams.

38. (D) I, II, III and IV
Social audits and field inspections frequently expose implementation gaps regarding statutory worksite amenities. Mandated facilities under the governing statute include clean drinking water, shade structures for rest, first aid kits for

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corruption, investigates grievances impartially, issues binding directives, and awards statutory penalties against defaulting officials.

76. (A) Reserve Bank of India (RBI)
The Reserve Bank of India is the central monetary authority responsible for monetary policy, currency issuance, and banking regulation, possessing no statutory administrative, execution, or auditing role under rural employment legislation. Planning, execution, and auditing functions are distributed among Gram Sabhas, State Employment Guarantee Councils, and Comptroller and Auditor General authorities.

77. (B) One Job Card for the household listing all adult members
Under employment guarantee regulations, the Job Card is issued to the household as a composite unit rather than to individuals. All willing adult members of a registered family, including parents and adult children living together and sharing a kitchen, are listed on a single household Job Card, sharing the baseline annual statutory work entitlement.

78. (D) I, II, III and IV
The legislation establishes strict time-bound guarantees to protect rural worker rights. Gram Panchayats must issue Job Cards within fifteen days of registration. Employment must be allocated within fifteen days of demand, wages disbursed within fifteen days of muster roll closure, and daily unemployment allowances provided if work is not provided within fifteen days.

79. (A) Unused entitlement days automatically carry forward to the next financial year
The statutory guarantee provides up to one hundred days of employment per household per financial year. Unused entitlement days do not roll over or carry forward into subsequent financial years, resetting to zero at each financial year-end. Households share the allocation, and individual states may extend additional days funded from state budgets.

80. (A) 4, 3, 1, 2
Rural employment programs evolved in a clear chronological sequence. The Jawahar Rozgar Yojana was launched in 1989 by merging earlier employment programs. The Employment Assurance Scheme followed in 1993, while the Sampoorna Grameen Rozgar Yojana was initiated in 2001. Finally, the Mahatma Gandhi National Rural Employment Guarantee Act was enacted in 2005.

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Labourers, reflecting real cost-of-living changes across rural areas and ensuring that real wages retain their adequate purchasing power over time.

48. (C) Wage rates are notified state-wise by the Central Government
Under Section 6(1) of the governing statute, the Central Government formally notifies state-specific daily wage rates annually. Because local economic conditions, baseline minimum wages, and agricultural price indices vary significantly across India, wage rates are determined separately for each state and union territory rather than maintaining a single uniform national rate.

49. (B) 18 years
The statutory threshold for registering as a worker under rural employment legislation requires individuals to be at least eighteen years old. This requirement aligns with general labor laws in India, ensuring that only legal adults residing within registered rural households are authorized to undertake unskilled manual wage labor on designated public worksites.

50. (A) P-4, Q-3, R-2, S-1
Administrative machinery operates across multiple governmental levels. Gram Panchayats receive registrations and issue Job Cards at the village level. Block Programme Officers consolidate local shelf of works. District Programme Coordinators oversee implementation across the district, while the State Employment Guarantee Council advises state governments on overall policy and scheme execution.

51. (B) Mandatory use of heavy machinery for earthworks
Rural employment legislation centers on creating manual work for rural job seekers while building durable community assets. Using heavy machinery for earthworks is explicitly prohibited because it displaces manual labor, defeating the statutory objective of generating employment. Decentralized planning, legal guarantees, and unemployment allowances form fundamental statutory elements of the program.

52. (A) I and II only
Work execution rules strictly prohibit hiring private contractors and ban labor-displacing machinery to ensure that public funds flow directly as wages to local manual laborers. Furthermore, the employment guarantee applies specifically to unskilled manual labor demanded by any rural household, rather than catering exclusively to skilled artisans or specialized trade workers.

53. (A) An additional 10% of the wage rate
Statutory guidelines mandate that employment should ideally be provided within a five-kilometer radius of the applicant's residence. If work is assigned beyond this five-kilometer distance, the implementing agency is legally required to pay an extra ten percent of the prevailing statutory wage rate to cover additional worker transportation and living expenses.

54. (B) Both Statement I and Statement II are correct but are independent of each other
The Gram Rozgar Sahayak acts as a key administrative assistant at the Gram Panchayat, handling documentation, maintaining official records, and assisting in overall scheme implementation. The Mate serves as an on-site grassroot supervisor recording daily worker attendance on muster rolls and overseeing physical work output. Both perform distinct, independent operational supervisory roles.

55. (A) Local women workers
To foster grassroots leadership, promote gender equality, and empower female laborers, official guidelines prioritize trained local women workers for selection as worksite Mates. Operating as Mates, women manage daily muster rolls, measure task progress, oversee worksite amenities, and supervise operational activities, driving social inclusion and financial independence across rural communities.

56. (D) To mitigate arid climate, groundwater depletion, and droughts
Rajasthan features vast arid and semi-arid terrain characterized by low rainfall, falling water tables, and frequent severe regional droughts. Prioritizing water conservation assets like Johads, check dams, and percolation tanks recharges depleted groundwater aquifers, secures agricultural irrigation, improves drinking water availability, and builds long-term climate resilience across local rural communities.

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emergency injuries, and functional crèches when small children accompany working mothers, all vital for preserving basic human dignity.

39. (A) Enhancing watershed development and irrigation potential
Convergence between rural employment guarantee schemes and the Pradhan Mantri Krishi Sinchayee Yojana seeks to optimize water resource management. Combining manual labor capacity with specialized agricultural irrigation funding enhances watershed development, creates farm ponds, constructs check dams, and improves overall water conservation, boosting rural agricultural productivity and long-term soil health.

40. (D) Swachh Bharat Mission (Grameen) - Individual Household Latrines (IHHL)
Programmatic convergence optimizes public financial resources across national development schemes. Under Swachh Bharat Mission (Grameen), rural employment wage labor is systematically utilized alongside central sanitation funds to construct Individual Household Latrines. This collaborative framework enhances rural sanitation coverage, eliminates open defecation, and generates structured manual work opportunities for local households.

41. (B) NREGASoft
NREGASoft is the dedicated online Management Information System developed to capture, process, and display all administrative data associated with national rural employment implementation. It tracks household registration, Job Card issuance, work demands, daily muster roll entries, physical asset progress, and direct electronic wage payments, providing end-to-end digital transparency nationwide.

42. (A) 2, 4, 1, 3
The wage payment process follows a strict administrative timeline. First, daily worker attendance is recorded on muster rolls at the worksite. Next, technical personnel measure the physical work output. Then, the digital Wage List is generated on the software system, which leads to creating Fund Transfer Orders for electronic bank disbursement.

43. (D) Verify assets digitally and prevent duplicate billing
Geotagging captures precise geographic coordinates and time-stamped visual photographs of physical assets across different execution stages. Integrated with satellite space technology platforms like BHUVAN, geotagging verifies asset existence, monitors project completion progress, prevents duplicate financial billing or phantom infrastructure claims, and strengthens spatial planning and public auditability nationwide.

44. (A) It served as a vital safety net during reverse migration
During severe economic disruptions such as the COVID-19 pandemic, millions of migrant workers experienced reverse migration to native villages. Rural employment schemes acted as an essential social safety net by providing immediate wage labor opportunities, mitigating acute rural starvation, stabilizing household incomes, and absorbing widespread labor distress during national crises.

45. (D) Assertion (A) is false but Reason (R) is true.
During agricultural distress or drought years, demand for public employment work increases sharply because crop failures severely reduce farm income opportunities. While some laborers migrate toward urban centers seeking employment, local rural demand for manual work surges, making employment guarantee schemes a vital safety buffer against regional agrarian crises.

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46. (B) To ensure direct electronic wage transfers to worker accounts
The Electronic Fund Management System operates as a centralized digital network facilitating paperless wage transfers directly from government treasuries to individual beneficiaries' bank or post office accounts. By eliminating intermediary physical checks and cash handling at local levels, e-FMS minimizes transaction delays, reduces administrative corruption, and ensures transparent money disbursement.

47. (A) Consumer Price Index for Agricultural Labourers
To protect rural workers from inflationary pressures, statutory wage rates are revised annually by the Ministry of Rural Development. These adjustments are linked to variations in the Consumer Price Index for Agricultural

66. (C) Gram Panchayat level
The statutory wage-material ratio of 60:40 is maintained specifically at the Gram Panchayat level for all works approved in the annual project shelf. Calculating this cost ratio at the local Gram Panchayat unit ensures that individual village projects prioritize manual labor generation while providing sufficient operational flexibility for durable local construction materials.

67. (B) Yes, land development works are allowed on private lands of eligible marginal farmers
While community assets are emphasized, Section IV of the statute explicitly permits land development, land leveling, and irrigation construction works on private land belonging to Scheduled Castes, Scheduled Tribes, and marginal farmers. These beneficiary-oriented works boost agricultural productivity and support smallholder livelihood sustainability without requiring any financial repayment.

68. (C) Statement I is correct but Statement II is incorrect
Statutory guidelines mandate that employment should ideally be allocated within a five-kilometer radius of the worker's residence. If work is assigned beyond this five-kilometer distance, workers are legally entitled to receive an additional ten percent of the wage rate as financial compensation to cover additional travel and daily personal living expenses.

69. (A) Printing and minting currency notes
Printing and minting currency is a sovereign monetary function performed exclusively by the Central Government and Reserve Bank of India, completely outside the scope of local rural bodies. Under the employment guarantee framework, the Gram Sabha focuses on local self-governance, recommending projects, approving annual village development plans, and conducting social audits.

70. (A) P-4, Q-3, R-2, S-1
Key technical administrative components maintain scheme operations. The Job Card serves as the fundamental identity document for registered households. The Muster Roll records daily worker attendance at worksites. The Measurement Book documents physical work output completed by laborers, and NREGASoft acts as the national Management Information System for digital scheme recordkeeping.

71. (A) Skilling workers and creating durable assets
Project LIFE-MGNREGA (Livelihood in Full Employment) focuses on enhancing worker capabilities and economic self-reliance. Its core objective is skilling workers and their dependents through structured vocational training, enabling a smooth transition from unskilled wage labor to sustainable self-employment or skilled employment, while simultaneously creating high-quality, durable assets for rural growth.

72. (A) I and II only
Technological reforms have modernized rural employment delivery. The Aadhaar Based Payment System ensures direct targeted financial transfers to worker bank accounts, reducing wage leakage, while geotagging tracks asset creation transparently via space mapping. Complete privatization has never been introduced, as Gram Panchayats retain statutory execution authority under constitutional democratic decentralization principles.

73. (B) Seeding Aadhaar with the bank account and mapping it with NPCI
Implementing the Aadhaar Based Payment System requires three key administrative steps: linking the beneficiary's Aadhaar number with their Job Card, seeding Aadhaar with their active bank account, and mapping it with the National Payments Corporation of India mapper. This technical alignment enables seamless, direct electronic wage credit directly into designated worker bank accounts.

74. (C) Capture real-time attendance and geo-tagged site photos
The National Mobile Monitoring System application was deployed across rural worksites to enhance real-time administrative oversight and operational integrity. Worksite Mates use the mobile application to record daily digital attendance of manual workers twice daily alongside geo-tagged, time-stamped photographs, preventing proxy attendance, ghost workers, and fake muster roll entries.

75. (C) District level
To maintain an independent grievance redressal system, scheme guidelines mandate appointing an Ombudsman at the district level. The District Ombudsman receives public complaints regarding delayed work allocation, wage payment defaults, worksite facility gaps, or administrative

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57. (B) The State Government entirely from its own budget
Under the Rajasthan Mukhyamantri Grameen Rozgar Guarantee Yojana, the state government provides twenty-five additional employment days to households completing their baseline one hundred days. Because this top-up entitlement exceeds the central statutory mandate, the financial cost of wages and administrative expenses for these additional days is borne entirely by the state budget.

58. (A) I, II and III only
Rajasthan provides an additional twenty-five days of work funded by the state for general households completing one hundred days, and grants specialized tribal groups like Sahariya and Kathodi up to two hundred total days. Water conservation structures form the majority of assets, and women actively participate rather than being exempted from site labor.

59. (D) Construction of private swimming pools for farmers
Permissible works under rural employment guarantee rules focus strictly on public community assets and approved natural resource management projects on lands belonging to vulnerable small or marginal farmers. Constructing luxury private swimming pools is completely non-permissible, whereas social audits, watershed convergence, and Aadhaar-based payment systems represent genuine operational components in Rajasthan.

60. (A) Maharashtra
The Maharashtra Employment Guarantee Scheme, enacted through landmark state legislation in 1977, was the pioneering statutory model in India establishing a legally enforceable right to work for rural manual laborers. Its administrative structure, demand-driven legal mandate, and fiscal funding design served as the core operational prototype for formulating national employment guarantee legislation.

61. (B) The Gram Sabha
Section 17 of the governing statute explicitly assigns statutory authority for conducting social audits to the Gram Sabha. The Gram Sabha reviews scheme implementation within the village, inspects completed physical works, examines financial vouchers, verifies muster rolls against actual workers present, and ensures total transparency and accountability at the local community level.

62. (B) Preparation of records by Gram Panchayat, Verification by Social Audit Unit, Presentation in Gram Sabha, Corrective action
The social audit process follows a structured administrative sequence. First, the Gram Panchayat compiles execution records, financial vouchers, and muster rolls. Next, an independent Social Audit Unit verifies these records through field inspections. The findings are then presented publicly before the Gram Sabha, leading to formal binding corrective action and grievance redressal.

63. (A) Afforestation - Drought proofing
Permissible activities under employment guarantee regulations are categorized according to environmental and developmental objectives. Afforestation, social forestry, and shelterbelt creation are categorized under drought proofing works because they prevent soil erosion, expand vegetative cover, conserve soil moisture, and effectively mitigate adverse microclimatic effects in arid and drought-vulnerable rural zones.

64. (C) Upgradation of National Highways using mechanical pavers
Permissible connectivity infrastructure is restricted to rural access roads, interior village concrete paths, culverts, and cross-drainage structures connecting unconnected habitations using manual labor. Upgrading major National Highways using heavy mechanical pavers is explicitly non-permissible because highway construction falls under national transportation authorities and relies heavily on capital-intensive automated machinery.

65. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
The statutory scheme has served as a powerful instrument for gender empowerment in rural India. By legally mandating that at least one-third of the workforce must be female and enforcing strict equal wage parity between men and women, the scheme enhances female labor force participation, financial independence, and household decision-making power.

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CHAPTER 27
Panchayati Raj and Rural Development

1. The modern three-tier Panchayati Raj system in India was officially inaugurated in Rajasthan. In which district and on what date did this historic event take place?
(A) Nagaur, 2 October 1959
(B) Jaipur, 15 August 1959
(C) Jodhpur, 26 January 1959
(D) Udaipur, 2 October 1960

2. Under the 73rd Constitutional Amendment Act, which of the following accurately defines the 'Gram Sabha'?
(A) A body consisting of all adult residents of a village
(B) The elected executive committee of the Gram Panchayat
(C) A body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level
(D) A council of village elders nominated by the Sarpanch

3. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): The 73rd Constitutional Amendment Act provides a constitutional guarantee for the existence of Panchayati Raj Institutions in India.
Reason (R): The Act makes it mandatory for state governments to hold regular elections for Panchayats every five years under the supervision of the State Election Commission.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

4. Which of the following is NOT a mandatory provision of the 73rd Constitutional Amendment Act?
(A) Establishment of a three-tier Panchayat system in all states
(B) Direct elections to all seats in Panchayats at the village, intermediate, and district levels
(C) Reservation of one-third of seats for women in Panchayats at all levels
(D) Granting of financial powers to Panchayats to levy and collect taxes, duties, and tolls

5. Under Article 243K, the State Election Commission is responsible for the superintendence, direction, and control of the preparation of electoral rolls for Panchayat elections. Who appoints the State Election Commissioner?
(A) The President of India
(B) The Governor of the State
(C) The Chief Election Commissioner of India
(D) The Chief Minister of the State

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6. Consider the following statements regarding the Eleventh Schedule of the Indian Constitution:
I. It contains 29 functional items devolved to the Panchayats.
II. It was added by the 74th Constitutional Amendment Act, 1992.
III. Subjects like Agriculture, Rural Housing, and Public Distribution System are included in it.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

7. In Rajasthan, what is the mandatory percentage of seats reserved for women across all tiers of Panchayati Raj Institutions?
(A) 33 percent
(B) 50 percent
(C) 25 percent
(D) 60 percent

8. Which tier of the Panchayati Raj system acts as the intermediate link between the village level and the district level?
(A) Panchayat Samiti
(B) Gram Sabha
(C) Zila Parishad
(D) District Planning Committee

26. Consider the following statements regarding the District Rural Development Agency (DRDA):
I. It was historically established as a separate registered society under the Societies Registration Act.
II. The Central Government has initiated its complete integration with the Zila Parishad to ensure better functional synergy.
III. It is solely funded by the State Governments without any Central financial assistance.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

27. According to the 73rd Constitutional Amendment Act, how many functional subjects are constitutionally devolved to the Panchayats under the Eleventh Schedule?
(A) 18
(B) 22
(C) 29
(D) 35

28. The State Finance Commission's recommendations regarding the devolution of funds to Panchayats are submitted to the:
(A) State Legislature directly
(B) Chief Minister
(C) Governor of the State
(D) Ministry of Panchayati Raj, Government of India

29. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): The practical devolution of functions to Panchayats in many states remains incomplete despite the existence of the Eleventh Schedule.
Reason (R): The 73rd Constitutional Amendment Act leaves the exact extent of devolution of powers and authority to the discretion of the state legislatures.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

30. Under the Pradhan Mantri Awas Yojana - Gramin (PMAY-G), which rural body plays the crucial statutory role in the verification and finalization of the beneficiary list?
(A) Zila Parishad
(B) State Human Rights Commission
(C) Gram Sabha
(D) District Rural Development Agency

31. The concept of "convergence of central schemes" at the Panchayat level primarily aims to:
(A) Expand the administrative bureaucracy and decision-making hierarchy in remote villages
(B) Pool multi-scheme resources to build durable assets and prevent duplication
(C) Restrict and strictly limit the internal financial autonomy of the local Sarpanch
(D) Transfer sovereign state legislative subjects completely to the concurrent list

32. Which of the following digital platforms is utilized by Panchayats for online payment and transparent accounting of devolved funds?
(A) National Agriculture Market (e-NAM)
(B) Unified District Information System for Education (UDISE+)
(C) Study Webs of Active-Learning for Young Aspiring Minds (SWAYAM)
(D) Public Financial Management System (PFMS)

33. Consider the following statements concerning the State Election Commission (SEC):
I. The SEC is an independent constitutional body.
II. The State Election Commissioner can be removed from office in the same manner as a Judge of a High Court.
III. Conditions of service of the State Election Commissioner shall not be varied to their disadvantage after appointment.
IV. The SEC conducts elections to the State Legislative Assembly alongside Panchayat elections.
Which of the above statement(s) is/are correct?
(A) I, II, and IV only
(B) I, II, and III only
(C) II, III, and IV only
(D) I, III, and IV only

34. The Chairperson (Zila Pramukh) of a Zila Parishad is elected in which of the following ways?
(A) Directly through a district-wide popular election by all registered adult voters
(B) Nominated directly by the State Government

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(C) All Sarpanchs of the Gram Panchayats within the block
(D) Members of the Legislative Assembly (MLAs) whose constituencies fall within the block

18. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): The reservation of seats for women in Panchayati Raj Institutions has enabled the emergence of women's political leadership at the grassroots level.
Reason (R): The "Sarpanch Pati" phenomenon, where male relatives act as de facto leaders, has completely eradicated the administrative impact of women's reservation across all states.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

19. Which Article of the Indian Constitution specifically deals with the reservation of seats for Scheduled Castes and Scheduled Tribes in Panchayats?
(A) Article 243A
(B) Article 243B
(C) Article 243C
(D) Article 243D

20. Under the rural infrastructure development mandate, Gram Panchayats are primarily responsible for:
(A) Construction, widening, and structural maintenance of major National Highways
(B) Operation and administrative control of large-scale multi-state irrigation dams
(C) Establishing and managing multi-specialty tertiary care regional hospitals
(D) Maintenance of village roads, drainage, and drinking water facilities

21. The Gram Panchayat Development Plan (GPDP) emphasizes "bottom-up planning." What does this signify in the context of rural development?
(A) Plans are formulated by the Central Government and directly implemented across villages
(B) Plans are drafted by residents in the Gram Sabha based on local needs
(C) Planning starts at the Zila Parishad level and is strictly enforced across blocks
(D) The District Planning Committee finalizes plans without consulting local bodies

22. Match the Committees on Panchayati Raj in List I with their key recommendations or features in List II:
List I: (Committees)
P. Balwant Rai Mehta Committee
Q. Ashok Mehta Committee
R. L.M. Singhvi Committee
S. G.V.K. Rao Committee
List II: (Recommendations / Features)
1. Constitutional recognition of Panchayati Raj Institutions
2. Two-tier system of Panchayati Raj
3. Three-tier system of Panchayati Raj
4. Administrative arrangements for rural development and poverty alleviation
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-1, R-2, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-2, R-1, S-3

23. In Rajasthan, the required quorum for a valid meeting of the Gram Sabha is legally fixed at:
(A) One-third of the total members
(B) One-fifth of the total members
(C) One-tenth of the total members
(D) One-twentieth of the total members

24. Capacity building programs for elected Panchayat representatives in Rajasthan are primarily coordinated by which apex training institute?
(A) Indira Gandhi Panchayati Raj & Gramin Vikas Sansthan (IGPR&GVS)
(B) Rajasthan Public Service Commission (RPSC)
(C) Harish Chandra Mathur Rajasthan State Institute of Public Administration (HCM RIPA)
(D) State Election Commission, Rajasthan

25. Identify the correct hierarchical order of the Panchayati Raj Institutions from the grassroots level to the district level.
(A) Gram Sabha → Zila Parishad → Panchayat Samiti → Gram Panchayat
(B) Gram Panchayat → Panchayat Samiti → Zila Parishad
(C) Panchayat Samiti → Gram Panchayat → Zila Parishad
(D) Gram Panchayat → Zila Parishad → Panchayat Samiti

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I. Gram Panchayats are primarily responsible for identifying the projects to be executed in the village.
II. Panchayati Raj Institutions must execute at least 50% of the works in terms of cost.
III. Only the State Government, and not the Panchayat, can legally issue job cards to rural households.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

44. The intermediate (middle) tier in the Panchayati Raj system of Rajasthan is officially known as the:
(A) Anchal Samiti
(B) Mandal Parishad
(C) Panchayat Samiti
(D) Janpad Panchayat

45. Match the rural governance challenges in List I with their appropriate descriptions in List II:

List I: (Challenges)
P. Devolution of Funds
Q. Devolution of Functions
R. Devolution of Functionaries
S. Capacity Building

List II: (Descriptions)
1. Lack of trained technical and administrative staff physically present at the Panchayat level
2. Need for regular, structured training programs for newly elected representatives
3. Reluctance of state departments to transfer actual administrative subjects to local bodies
4. Inadequate untied financial resources and low internal revenue generation capacity

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-1, R-3, S-2
(C) P-1, Q-3, R-4, S-2
(D) P-4, Q-3, R-1, S-2

46. Zila Parishads operate through various functional Standing Committees. In Rajasthan, the Chief Executive Officer (CEO) of a Zila Parishad is typically an officer drawn from the:
(A) Senior officer from the Rajasthan Police Service (RPS)
(B) Senior officer from the Indian Revenue Service (IRS)
(C) Officer from the IAS or Rajasthan Administrative Service
(D) Senior judicial officer from the State Judicial Service

47. According to standard Panchayati Raj norms in Rajasthan, Gram Sabha meetings are mandatory on all the following national and state dates EXCEPT:
(A) 26th January (Republic Day)
(B) 1st May (Labour Day)
(C) 15th August (Independence Day)
(D) 10th December

48. Identify the correct logical sequence of the institutional fund devolution mechanism for rural governance.
(A) State Finance Commission constitutes → Reviews financial position of PRIs → Recommends principles to Governor → State Legislature implements
(B) State Legislature implements → State Finance Commission constitutes → Governor recommends
(C) Governor recommends → State Legislature implements → State Finance Commission constitutes
(D) State Finance Commission constitutes → State Legislature implements → Reviews financial position

49. To be eligible to contest elections for membership in a Panchayati Raj Institution, the minimum age explicitly prescribed by the Constitution is:
(A) 18 years
(B) 21 years
(C) 25 years
(D) 30 years

50. Which of the following is a primary objective of the Rashtriya Gram Swaraj Abhiyan (RGSA)?
(A) Eradicating targeted infectious diseases across vulnerable rural areas
(B) Providing direct bank transfers to landless agricultural labourers
(C) Strengthening the capacity building of Panchayati Raj Institutions
(D) Funding infrastructure development for major urban smart cities

51. Consider the following statements regarding rural infrastructure development by Panchayats:
I. Gram Panchayats are responsible for maintaining basic rural water supply schemes.
II. Construction and upkeep of primary school

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upon advice of the Chief Minister
(C) Indirectly, by and from amongst the elected members of the Zila Parishad
(D) Appointed directly by the Governor based strictly on administrative seniority

35. Match the Constitutional Articles in List I with their respective subjects in List II:
List I: (Constitutional Articles)
P. Article 243A
Q. Article 243B
R. Article 243E
S. Article 243G
List II: (Subjects)
1. Duration of Panchayats
2. Powers, authority, and responsibilities of Panchayats
3. Gram Sabha
4. Constitution of Panchayats
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-1, S-3

36. The primary objective of establishing the Gram Sabha as the foundational deliberative body of Panchayati Raj is to:
(A) Centralize absolute executive and decision-making powers at the village level
(B) Act as a direct functional substitute for the state legislative assembly
(C) Serve as a formal judicial court for trial of serious criminal offenses
(D) Promote participatory democracy and ensure grassroots accountability

37. In Rajasthan, it is statutorily mandated to hold a minimum of how many Gram Sabha meetings in a calendar year?
(A) Two
(B) Three
(C) Four
(D) Six

38. Arrange the following milestones in the evolution of rural development and local governance in India in chronological order:
1. Enactment of the 73rd Constitutional Amendment Act
2. Launch of the Community Development Programme (CDP)
3. Constitution of the Balwant Rai Mehta Committee
4. Enactment of the Panchayats (Extension to the Scheduled Areas) Act (PESA)
Select the correct sequence from the options given below:
(A) 2, 3, 1, 4
(B) 3, 2, 1, 4
(C) 2, 1, 3, 4
(D) 1, 2, 4, 3

39. The State Finance Commission must be constituted by the Governor of a State at the expiration of every:
(A) Three years
(B) Four years
(C) Five years
(D) Ten years

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40. Given below are two statements, one labelled as Assertion (A) and the other as Reason (R):
Assertion (A): The Gram Sabha acts as the statutory mechanism for conducting social audits of works executed under MGNREGA.
Reason (R): Social audits enforce accountability and transparency by allowing the community to directly scrutinize the expenditure and implementation of rural schemes.
(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
(B) Both Assertion (A) and Reason (R) are true but R is not the correct explanation of A.
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

41. Which of the following is NOT among the 29 subjects explicitly listed in the Eleventh Schedule of the Constitution?
(A) Rural electrification, including distribution of electricity
(B) Maintenance of public law and order
(C) Public distribution system
(D) Family welfare

42. Who among the following is legally entitled to participate in the meetings of a Gram Sabha?
(A) Only the officially elected Ward Panchs along with the sitting Sarpanch
(B) All persons registered in the electoral rolls of the village Panchayat
(C) Any adult resident physically residing within the territorial boundary of the village
(D) All property owners in the village regardless of their permanent primary residence

43. Consider the following statements regarding the role of Panchayats in MGNREGA:

9. Match the Panchayati Raj tiers in List I with their corresponding administrative officials in Rajasthan in List II:

List I: (Panchayati Raj Tiers)

P. Gram Panchayat
Q. Panchayat Samiti
R. Zila Parishad
S. Gram Sabha

List II: (Administrative Officials)

1. Chief Executive Officer (CEO)
2. Village Development Officer (VDO)
3. Block Development Officer (BDO)
4. No specific dedicated administrative head

(A) P-3, Q-2, R-1, S-4
(B) P-2, Q-3, R-1, S-4
(C) P-2, Q-1, R-3, S-4
(D) P-1, Q-3, R-2, S-4

10. The State Finance Commission reviews the financial position of the Panchayats and recommends the principles governing the distribution of tax revenues. Under which constitutional Article is it constituted?

(A) Article 243G
(B) Article 243H
(C) Article 243I
(D) Article 243K

11. The 'e-Gram Swaraj' portal launched by the Ministry of Panchayati Raj aims to provide:

(A) A unified digital window for planning, accounting, and monitoring Panchayat activities
(B) Direct cash transfer mechanisms to deliver agricultural financial assistance to rural farmers
(C) Online registration and candidate verification portals for competitive rural local elections
(D) Interactive digital e-learning and educational modules designed for rural school children

12. In the context of Panchayati Raj governance, the structural challenge often referred to as the "3Fs problem" primarily denotes the inadequate devolution of:

(A) Food, Fodder, and Fuel resources
(B) Forests, Fisheries, and Farm assets
(C) Funds, Functions, and Functionaries
(D) Finance, Formats, and Feedback tools

13. Arrange the following steps of the Gram Panchayat Development Plan (GPDP) formulation process in the correct sequential order:

1. Approval of the GPDP in the Gram Sabha
2. Needs assessment and situational analysis
3. Projectization and finalization of the development plan
4. Formation of the Gram Panchayat Planning Facilitation Team

Select the correct sequence from the options given below:

(A) 4, 2, 3, 1
(B) 2, 4, 3, 1
(C) 4, 3, 2, 1
(D) 2, 3, 4, 1

14. Panchayati Raj Institutions act as the primary executing agencies for which of the following major rural employment schemes?

(A) Pradhan Mantri Kisan Samman Nidhi
(B) Pradhan Mantri Fasal Bima Yojana
(C) Mahatma Gandhi NREGA (MGNREGA)
(D) Ayushman Bharat Jan Arogya Yojana

15. The District Rural Development Agency (DRDA) was traditionally established to:

(A) Conduct district-level local elections for the Zila Parishad
(B) Manage anti-poverty and rural development schemes
(C) Provide judicial arbitration for complex land disputes in rural areas
(D) Regulate microfinance institutions and credit cooperatives in villages

16. Consider the following statements regarding the features of the 73rd Constitutional Amendment Act:

I. It provides for a five-year term of office to the Panchayat at every level.
II. It mandates the establishment of a State Finance Commission every five years.
III. It allows Members of Parliament (MPs) to vote in Gram Sabha meetings.
IV. It requires the reservation of seats for SCs and STs in proportion to their population.

Which of the above statement(s) is/are correct?

(A) I, II, and IV only
(B) I, II, and III only
(C) II, III, and IV only
(D) I, III, and IV only

17. The composition of a Panchayat Samiti generally includes all of the following EXCEPT:

(A) The District Collector acting as the ex-officio Chairperson
(B) Directly elected members from territorial constituencies within the block

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buildings fall under the purview of PRIs in many states.
III. Zila Parishads generally oversee major inter-block rural roads.
IV. PRIs are constitutionally responsible for establishing heavy manufacturing industries.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

52. In the context of Rajasthan's Panchayati Raj structure, what does the term 'Ward Sabha' formally represent?
(A) A formal meeting of all elected Sarpanchs within a single Panchayat Samiti
(B) The core financial oversight and audit committee of the Zila Parishad
(C) A grassroots legal dispute resolution body situated at the block level
(D) An assembly of all adult voters of a specific ward in a Gram Panchayat

53. A core challenge concerning the devolution of "Functionaries" to Panchayati Raj Institutions is the issue of "dual control." In this context, dual control means:
(A) State and central governments jointly manage local rural markets and tax collections
(B) Line officials report administratively to Panchayats but technically to state departments
(C) Gram Panchayats and Zila Parishads actively dispute their overlapping functional jurisdictions
(D) The Governor and Chief Minister share direct administrative control over Panchayat elections

54. The standard term of a Panchayat is five years. However, if a Panchayat is dissolved prematurely, elections to constitute a new Panchayat must be completed within:
(A) 3 months from the date of its dissolution
(B) 6 months from the date of its dissolution
(C) 1 year from the date of its dissolution
(D) The remaining period of its original term

55. Which of the following parameters is explicitly recommended by the State Finance Commission for the structural devolution of funds?
(A) Fixing minimum support prices and procurement quotas for critical agricultural crops
(B) Sanctioning commercial loans for international trade conducted by local artisan groups
(C) Establishing mandatory quotas and criteria for military recruitment from rural areas
(D) Distribution of net state tax revenues and duties between the State and Panchayats

56. Consider the following statements regarding the impact of SC/ST reservation in Panchayati Raj bodies:
I. It has provided a formal mechanism for the political representation of historically marginalized communities at the grassroots.
II. It mandates that the offices of Chairpersons at all levels be reserved for SCs and STs in proportion to their population.
III. It completely eliminates the need for separate developmental schemes for marginalized groups since they now hold political power.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

57. With the goal of enhancing rural governance, Gram Panchayats are heavily encouraged to focus on Own Source Revenue (OSR). Which of the following best represents an OSR for a Gram Panchayat?
(A) Untied grants-in-aid received directly from the Central Finance Commission
(B) Taxes on houses, water, and local fairs collected by the Panchayat
(C) Direct wage and material funds released under the central MGNREGA scheme
(D) Discretionary local area development funds provided by the Member of Parliament

58. The District Planning Committee (DPC) is a critical constitutional body created to consolidate local plans prepared by both Panchayats and Municipalities. Under which Article is the DPC constituted?
(A) Article 243ZD
(B) Article 243ZE
(C) Article 243ZF
(D) Article 243ZG

59. If an elected Sarpanch in Rajasthan wishes to resign from their post before the end of their

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tenure, to whom must they submit their written resignation?
(A) The Block Development Officer (Vikas Adhikari)
(B) The District Collector
(C) The Chief Executive Officer (CEO) of the Zila Parishad
(D) The State Election Commissioner

60. Consider the following statements about the convergence of central schemes at the Panchayat level:
I. It systematically aims to prevent duplication of developmental efforts and overlapping funds.
II. It enables Panchayats to use MGNREGA funds for unskilled labour alongside funds from Swachh Bharat Mission (Grameen) for sanitation projects.
III. It strictly requires abolishing Gram Panchayats and handing implementation to private corporate contractors.
IV. It optimizes resource utilization for creating durable community assets like Anganwadi centers.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

61. In the constitutional three-tier Panchayati Raj system, the Zila Parishad primarily serves as:
(A) An executive implementing agency responsible for all minor local civil works
(B) A formal judicial court tasked with resolving inter-village land disputes
(C) The primary revenue-collecting agency for state-level commercial taxes
(D) A supervisory and coordinating advisory body at the district level

62. The administrative head and executive officer of a Gram Panchayat in Rajasthan, who assists the Sarpanch in official functions, financial operations, and record-keeping, is formally known as the:
(A) Patwari (Village Revenue Accountant)
(B) Kanungo (Revenue Circle Inspector)
(C) Village Development Officer (VDO)
(D) Tehsildar (Sub-District Revenue Officer)

63. Under standard disqualification rules implemented in state acts like the Rajasthan Panchayati Raj Act, a person elected to a Panchayat may be disqualified if they:
(A) Are younger than 25 years of age at the time of contesting
(B) Have more than two children after the cut-off date
(C) Do not hold a formal university or higher education degree
(D) Do not privately own agricultural land in the village area

64. The constitutional mandate for the reservation of seats for Scheduled Castes (SCs) in Panchayats is determined strictly on the basis of:
(A) A uniform fixed 15% reservation quota across all states regardless of local demography
(B) The absolute executive discretion of the sitting State Cabinet and Chief Minister
(C) The historical literacy rate and educational attainment levels in the district
(D) The proportion of their population to the total population in the Panchayat area

65. Which of the following correctly describes the socio-political term "Sarpanch Pati" in the context of Indian grassroots governance?
(A) The unofficial exercise of power by the husband of an elected female Sarpanch
(B) A prestigious annual state government award presented to the top performing Sarpanch
(C) The formal statutory designation of the deputy Sarpanch in rural Rajasthan
(D) A traditional extra-constitutional dispute resolution council in local villages

66. The digitization of Panchayat records and administration through initiatives like the 'e-Panchayat Mission Mode Project' primarily aims to:
(A) Reduce direct democratic participation of local residents in grassroots politics
(B) Replace elected village representatives with automated algorithmic governance
(C) Make local governance more transparent, accountable, and efficient
(D) Transfer statutory taxing powers of Panchayats to the Central Government

67. The 'Eleventh Schedule' of the Constitution covers 29 devolved subjects. Which of the following broad areas is prominently featured within it?
(A) Agriculture, including agricultural extension
(B) Foreign affairs and international diplomacy

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(C) Regulation of major seaports and civil aviation
(D) Establishment and jurisdiction of High Courts

68. How does the Gram Panchayat Development Plan (GPDP) strategically support the concept of convergence?
(A) It encourages independent, siloed planning for each central scheme without functional overlap
(B) It forcefully merges multiple rural Gram Panchayats into a single large urban planning unit
(C) It transfers administrative planning authority from the Gram Sabha to state-level bureaucrats
(D) It integrates resources from various schemes into a single plan for holistic village development

69. Under the operational guidelines of MGNREGA, which body is statutorily responsible for preparing the annual "Labour Budget" detailing the expected quantum of demand for work?
(A) The District Collector
(B) The Gram Panchayat
(C) The State Employment Guarantee Council
(D) The Ministry of Rural Development

70. What is the primary and explicit role of the State Election Commission (SEC) in the context of Panchayati Raj?
(A) Resolving complex constitutional boundary disputes between the State and the Centre
(B) Auditing all daily financial accounts and expenditure funds of Gram Panchayats
(C) Ensuring free, fair, and regular elections to local self-government bodies
(D) Recruiting permanent technical and administrative staff for Zila Parishad offices

71. One of the major recurring challenges regarding the "Devolution of Funds" to Panchayats is their overwhelming over-reliance on:
(A) Internally generated Own Source Revenue (OSR)
(B) Direct funding from international aid agencies
(C) Revenues collected from agricultural income tax
(D) Tied grants from higher tiers of government

72. Which tier of the Panchayati Raj structure is tasked with reviewing and consolidating the block-level plans prepared by the Panchayat Samitis?
(A) Zila Parishad
(B) Gram Sabha
(C) District Planning Committee
(D) State Planning Board

73. The reservation of seats for women in Panchayati Raj bodies (under Article 243D) is constitutionally applicable to:
(A) Only the posts of ordinary members, excluding the chairpersons
(B) Both the general memberships and the offices of chairpersons across all three tiers
(C) Only the Gram Panchayat level
(D) Only specific constituencies where the female population visibly exceeds the male population

74. The Swachh Bharat Mission - Grameen (SBM-G) relies heavily on the active involvement of Gram Panchayats for achieving and sustaining which of the following sanitary statuses?
(A) Special Economic Zone (SEZ) administrative status
(B) Open Defecation Free Plus (ODF+) status
(C) National Heritage Village designation status
(D) Central Smart City infrastructure status

75. Which of the following statements about the statutory role of the Gram Sabha is incorrect?
(A) It holds absolute power to unilaterally dismiss the elected Member of Legislative Assembly (MLA).
(B) It provides a formal democratic platform for participatory planning, community decision-making, and regular social audits.
(C) It reviews and approves local plans, programs, and projects for social and economic development prior to implementation.
(D) It is fundamentally responsible for the identification and final selection of eligible beneficiaries under poverty schemes.

76. Which institutional body traditionally coordinated central anti-poverty schemes at the district level before the policy push for its core functions to be entirely merged with the Zila Parishad?
(A) NITI Aayog
(B) State Finance Commission
(C) District Rural Development Agency (DRDA)

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(D) National Bank for Agriculture and Rural Development (NABARD)

77. The robust capacity building and training of Panchayat officials in Rajasthan are deemed highly essential primarily because:
(A) It legally empowers local representatives to bypass state financial directives and statutory guidelines during implementation
(B) It systematically prepares local leaders for competitive recruitment examinations conducted by state public service commissions
(C) It serves as a mandatory constitutional prerequisite for receiving structured developmental funds from United Nations agencies
(D) Elected representatives often lack administrative experience and technical knowledge to manage devolved subjects

78. Which of the following functional subjects is most closely associated with the rural development mandate of Panchayati Raj Institutions?
(A) Regulation of higher education universities
(B) Regulation of national stock exchanges
(C) Rural housing and minor forest produce
(D) Issuance of international passports and visas

79. Which constitutional provision explicitly addresses the composition of Panchayats?
(A) Article 243A
(B) Article 243B
(C) Article 243C
(D) Article 243E

80. A major contemporary governance reform in the functioning of Panchayats is the implementation of the 'AuditOnline' platform. This application systematically aims to facilitate:
(A) Online voting mechanisms and digital balloting during local Panchayat elections
(B) Uninterrupted live video streaming and archival of all official Gram Sabha meetings
(C) Automated technical grievance redressal mechanisms specifically for rural electrification
(D) Online auditing of Panchayat accounts to enhance financial transparency

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ANSWERS

1. (A) Nagaur, 2 October 1959
The modern three-tier Panchayati Raj system was officially inaugurated by Prime Minister Jawaharlal Nehru on October 2, 1959, in Nagaur district, Rajasthan. This landmark initiative was based on the recommendations of the Balwant Rai Mehta Committee constituted in 1957. It marked a significant step toward democratic decentralization and local self-governance across rural India.

2. (C) A body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level
Article 243A of the Constitution defines the Gram Sabha as a grassroots democratic body consisting of persons registered in the electoral rolls relating to a village within the Panchayat area at the village level. It serves as the foundational decision-making platform in rural local governance, enabling direct popular participation and ensuring political accountability.

3. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
The 73rd Constitutional Amendment Act accorded constitutional status to Panchayati Raj Institutions by adding Part IX to the Indian Constitution. To guarantee their continuous existence, the legislation mandates regular democratic elections every five years under the supervision of a State Election Commission. Consequently, state governments cannot arbitrarily suppress or delay local body governance.

4. (D) Granting of financial powers to Panchayats to levy and collect taxes, duties, and tolls
The 73rd Constitutional Amendment distinguishes between compulsory and voluntary provisions. Establishing a three-tier system, direct elections to all seats, and reserving one-third of seats for women are mandatory provisions. In contrast, authorizing Panchayats to levy, collect, and appropriate local taxes, duties, tolls, and fees remains a voluntary provision left to state legislative discretion.

5. (B) The Governor of the State
Under Article 243K of the Indian Constitution, the State Election Commissioner is appointed by the Governor of the respective state. The Commissioner oversees the superintendence, direction, and control of electoral rolls and conducts all elections to urban and rural local bodies. The conditions of service and tenure are also determined by the Governor.

6. (B) I and III only
The Eleventh Schedule was added to the Indian Constitution by the 73rd Constitutional Amendment Act of 1992, not the 74th Amendment. It specifies twenty-nine functional items placed under the jurisdiction of Panchayati Raj Institutions, including key rural development subjects such as agriculture, rural housing, public distribution systems, drinking water, and road infrastructure.

7. (B) 50 percent
While the 73rd Constitutional Amendment Act prescribes a mandatory minimum of thirty-three percent reservation for women in rural local bodies, Rajasthan enacted state-level legislative amendments in 2008 to enhance this quota. Consequently, Rajasthan reserves fifty percent of all seats and chairperson positions for women across all tiers of Panchayati Raj Institutions.

8. (A) Panchayat Samiti
In the three-tier Panchayati Raj system, the Panchayat Samiti functions as the intermediate administration unit between the Gram Panchayat at the village level and the Zila Parishad at the district level. It coordinates local developmental projects, supervises Gram Panchayat operations, and implements block-level welfare policies funded by state and central governments.

9. (B) P-2, Q-3, R-1, S-4
Each level of the Panchayati Raj structure has dedicated administrative officers. The Gram Panchayat is assisted by the Village Development Officer, the Panchayat Samiti is headed by the Block Development Officer, and the Zila Parishad is managed by a Chief Executive Officer. The

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66. (C) Make local governance more transparent, accountable, and efficient
The e-Panchayat Mission Mode Project aims to modernize rural local governance through digital technology. By digitizing workflow management, asset tracking, spatial planning, and accounting, the project enhances financial transparency, reduces administrative delays, eliminates ghost assets, and improves public service delivery, making local self-government institutions more accountable and efficient for rural communities.

67. (A) Agriculture, including agricultural extension
The Eleventh Schedule of the Indian Constitution lists twenty-nine functional items devolved to Panchayati Raj Institutions. The very first entry in this schedule encompasses agriculture, including agricultural extension services. Foreign affairs, seaports, aviation, and High Court jurisdiction fall under Union and State legislative lists, remaining completely outside rural local self-government authority.

68. (D) It integrates resources from various schemes into a single plan for holistic village development
The Gram Panchayat Development Plan serves as a unified planning platform that strategically supports convergence by bringing together resources from central, state, and local schemes into a single comprehensive blueprint. Instead of executing schemes in isolation, it enables Panchayats to pool financial and technical assets to achieve sustainable holistic village development.

69. (B) The Gram Panchayat
Under Section 13 of the MGNREGA, the Gram Panchayat is statutorily responsible for preparing the annual Labour Budget for its village territory. The Labour Budget projects the anticipated demand for unskilled manual labor, details identified public infrastructure works, and determines estimated financial allocations required for wage employment in the upcoming financial year.

70. (C) Ensuring free, fair, and regular elections to local self-government bodies
Under Article 243K and Article 243ZA of the Indian Constitution, the primary role of the State Election Commission is to ensure free, fair, impartial, and regular elections to local self-government bodies, including Panchayats and Municipalities. It handles electoral roll preparation, boundary delimitation notifications, symbol allotment, and overall local election administration supervision.

71. (D) Tied grants from higher tiers of government
A major financial vulnerability of Panchayati Raj Institutions is their overwhelming reliance on tied grants received from central and state governments. Because tied grants come with rigid operational guidelines and specific expenditure mandates, Panchayats lack discretionary financial autonomy to spend funds on locally identified priorities, severely restricting real fiscal decentralization at grassroots levels.

72. (A) Zila Parishad
The Zila Parishad, operating at the apex district level, is statutorily empowered to review, integrate, and consolidate block-level developmental plans formulated by various Panchayat Samitis. It aligns these block plans with district priorities, coordinates multi-block projects, and submits the integrated rural draft plan to the District Planning Committee for overall district plan consolidation.

73. (B) Both the general memberships and the offices of chairpersons across all three tiers
Article 243D of the Indian Constitution mandates that not less than one-third of the total seats in Panchayats at all levels shall be reserved for women. Crucially, this constitutional reservation applies comprehensively, covering both direct general memberships and elected executive offices of chairpersons across the village, intermediate, and district tiers of governance.

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74. (B) Open Defecation Free Plus (ODF+) status
The Swachh Bharat Mission - Grameen leverages Gram Panchayats as primary implementation bodies to achieve and sustain Open Defecation Free Plus status. Panchayats mobilize rural communities, construct individual household latrines, oversee solid and liquid waste management systems, maintain community sanitary complexes, and promote sustainable hygienic practices throughout all rural village boundaries.

75. (A) It holds absolute power to unilaterally dismiss the elected Member of Legislative Assembly (MLA).
The Gram Sabha plays an essential statutory role in participatory governance, beneficiary

in proportion to their population. Additionally, it mandates that not less than one-third of the total seats, including reserved seats, must be reserved for women in local self-governance institutions.

20. (D) Maintenance of village roads, drainage, and drinking water facilities
Gram Panchayats are primarily responsible for executing essential civil infrastructure works at the grassroots level. Their functions include constructing and maintaining intra-village roads, village drainage systems, sanitation facilities, street lighting, and rural drinking water supply networks. Major national highways, large dams, and regional specialty hospitals fall outside their local administrative domain.

21. (B) Plans are drafted by residents in the Gram Sabha based on local needs
Bottom-up planning in the Gram Panchayat Development Plan signifies democratic decentralization, where local residents actively identify community needs, propose development schemes, and draft priorities directly within the Gram Sabha. This approach ensures that developmental allocations reflect actual grassroots requirements, departing from top-down administrative decisions imposed by higher tiers of government or centralized planning agencies.

22. (C) P-3, Q-2, R-1, S-4
The evolution of Panchayati Raj involved key committees. The Balwant Rai Mehta Committee recommended a three-tier system in 1957, while the Ashok Mehta Committee proposed a two-tier model in 1978. The G.V.K. Rao Committee focused on administrative arrangements for rural development in 1985, and the L.M. Singhvi Committee advocated constitutional recognition in 1986.

23. (C) One-tenth of the total members
Under the Rajasthan Panchayati Raj Act, the quorum required to legally convene a meeting of the Gram Sabha is fixed at one-tenth of its total registered voter membership. Furthermore, the presence of members from Scheduled Castes, Scheduled Tribes, Other Backward Classes, and women in proportion to their population is statutorily required for valid deliberations.

24. (A) Indira Gandhi Panchayati Raj & Gramin Vikas Sansthan (IGPR&GVS)
The Indira Gandhi Panchayati Raj & Gramin Vikas Sansthan in Jaipur serves as the premier state-level apex training institute in Rajasthan. It coordinates and conducts comprehensive capacity building, leadership training, and technical orientation programs for elected Panchayat representatives, key rural functionaries, and administrative officers involved in decentralized local self-governance and rural development.

25. (B) Gram Panchayat → Panchayat Samiti → Zila Parishad
The statutory three-tier Panchayati Raj system is organized in a hierarchical structure ascending from the village level to the district level. The Gram Panchayat forms the foundational executive tier at the village level, followed by the Panchayat Samiti at the intermediate block level, and culminating in the Zila Parishad at the apex district level.

26. (A) I and II only
The District Rural Development Agency was initially established as an independent registered society under the Societies Registration Act to manage anti-poverty funds. Jointly funded by central and state governments, administrative reforms led the Central Government to merge DRDAs with Zila Parishads to eliminate administrative redundancy and enhance functional coordination in district-level governance.

27. (C) 29
The Eleventh Schedule of the Indian Constitution, inserted by the 73rd Constitutional Amendment Act in 1992, contains twenty-nine specific functional subjects devolved to Panchayati Raj Institutions. These subjects cover essential domains of rural socio-economic planning, including agriculture, land reform, minor irrigation, animal husbandry, rural electrification, poverty alleviation, primary education, and public health.

28. (C) Governor of the State
Under Article 243I of the Indian Constitution, the State Finance Commission submits its report and recommendations regarding fund devolution directly to the Governor of the State. The Governor subsequently causes every recommendation made by the commission,

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together with an explanatory memorandum of action taken, to be laid before the State Legislature.

29. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Although Article 243G introduces the Eleventh Schedule, the actual transfer of powers, authority, and statutory responsibilities is not mandatory but left to the discretion of individual state legislatures. Because state governments retain legislative discretion over transferring functions, funds, and functionaries, the practical devolution to rural local bodies remains incomplete and inconsistent across states.

30. (C) Gram Sabha
Under the guidelines of the Pradhan Mantri Awas Yojana - Gramin, the Gram Sabha plays a vital statutory role in ensuring transparency. It scrutinizes the priority list generated through the Socio-Economic and Caste Census, verifies applicant eligibility, conducts social audits, and accords final approval to the beneficiary list for housing allocation.

31. (B) Pool multi-scheme resources to build durable assets and prevent duplication
The convergence of central and state rural development schemes enables Panchayats to integrate financial, physical, and technical resources from multiple programs, such as MGNREGA and Swachh Bharat Mission. This strategic alignment avoids duplication of public expenditure, optimizes resource allocation, and facilitates the creation of comprehensive, durable community assets in rural areas.

32. (D) Public Financial Management System (PFMS)
The Public Financial Management System is an online software application utilized for real-time tracking, fund transfers, and transparent accounting of devolved public funds to Panchayats. Integrated with e-Gram Swaraj, it enables direct electronic payments to vendor and worker bank accounts, reducing administrative delays, eliminating intermediaries, and curbing corruption in rural local governance.

33. (B) I, II, and III only
Under Article 243K, the State Election Commission is an independent constitutional authority tasked exclusively with conducting rural and urban local body elections. The Commissioner is safeguarded from arbitrary removal, being removable only in the like manner and on like grounds as a High Court Judge. Elections to the State Legislative Assembly are conducted by the Election Commission of India.

34. (C) Indirectly, by and from amongst the elected members of the Zila Parishad
Article 243C of the Indian Constitution specifies that the chairperson of a Panchayat at the intermediate level or district level shall be elected indirectly. Consequently, the Zila Pramukh is elected by and from amongst the directly elected members of the Zila Parishad, ensuring that executive leadership at the district tier emerges from among the elected council members.

35. (A) P-3, Q-4, R-1, S-2
Part IX of the Indian Constitution outlines rural local self-governance. Article 243A defines the Gram Sabha, while Article 243B provides for the constitution of Panchayats. Article 243E prescribes a five-year duration for Panchayats, and Article 243G details the powers, authority, and responsibilities devolved to Panchayats regarding socio-economic development across rural areas.

36. (D) Promote participatory democracy and ensure grassroots accountability
The primary objective of establishing the Gram Sabha as a statutory deliberative body is to promote participatory democracy and ensure direct administrative accountability at the grassroots level. It empowers rural citizens to directly engage in village decision-making, evaluate local government performance, approve development plans, and scrutinize public fund utilization through regular social audit meetings.

37. (C) Four
Under Section 8A of the Rajasthan Panchayati Raj Act, 1994, it is statutorily mandated to hold a minimum of four Gram Sabha meetings in a calendar year. These meetings are customarily scheduled on important national and state observances, namely Republic Day, Labour Day, Independence Day, and Gandhi Jayanti, to encourage community participation.

38. (A) 2, 3, 1, 4
Rural local governance evolved chronologically through major historical milestones. The

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Community Development Programme was launched in 1952, followed by the Balwant Rai Mehta Committee in 1957 which recommended a three-tier democratic system. Decades later, the landmark 73rd Constitutional Amendment Act was enacted in 1992, and PESA was subsequently enacted in 1996 for Scheduled Areas.

39. (C) Five years
Article 243I of the Constitution mandates that the Governor of a state shall constitute a State Finance Commission at the expiration of every five years. The commission evaluates the financial health of rural local bodies and recommends statutory principles for allocating state tax revenues, duties, and grants-in-aid to support rural infrastructure development.

40. (A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A.
Section 17 of the MGNREGA statutorily mandates the Gram Sabha to conduct social audits of all public projects implemented within the Gram Panchayat. Social audits strengthen public accountability and transparency by empowering community members to examine financial records, verify physical work progress on-site, and detect financial irregularities or operational corruptions in rural development programs.

41. (B) Maintenance of public law and order
The Eleventh Schedule contains twenty-nine subjects pertaining to rural development, public welfare, and local infrastructure, including rural electrification, public distribution systems, and family welfare. Maintenance of public law and order is a sovereign responsibility reserved strictly under State List Entry 1 of the Seventh Schedule and is not devolved to Panchayats.

42. (B) All persons registered in the electoral rolls of the village Panchayat
Under Article 243A of the Indian Constitution, the Gram Sabha comprises all persons registered in the electoral rolls of the village within the Panchayat area. Mere physical residency or property ownership without voter registration does not confer voting rights or entitlement to participate in official Gram Sabha meetings and legislative deliberations.

43. (A) I and II only
Under the statutory framework of MGNREGA, Gram Panchayats are responsible for identifying local works based on Gram Sabha recommendations and executing at least fifty percent of all projects in terms of total cost. Gram Panchayats also issue job cards directly to eligible rural households after verifying local applications, making state-only issuance incorrect.

44. (C) Panchayat Samiti
In Rajasthan's Panchayati Raj structure, the intermediate tier between the Gram Panchayat and the Zila Parishad is called the Panchayat Samiti. Established at the block level, it plays an indispensable operational role by coordinating developmental planning, allocating funds to Gram Panchayats, and supervising execution of state and central schemes within its block territory.

45. (D) P-4, Q-3, R-1, S-2
Rural governance challenges require targeted interventions across distinct dimensions. Devolution of funds involves expanding low untied revenue bases, while devolution of functions addresses administrative reluctance to transfer authority. Devolution of functionaries relates to deploying trained technical staff at local levels, and capacity building involves conducting structured training programs for newly elected rural representatives.

46. (C) Officer from the IAS or Rajasthan Administrative Service
In Rajasthan, the administrative head and Chief Executive Officer of a Zila Parishad is a senior executive officer posted from the Indian Administrative Service or the Rajasthan Administrative Service. The CEO manages day-to-day administration, supervises developmental officers, executes parishad resolutions, and coordinates multi-departmental rural development operations across the entire district administrative region.

47. (D) 10th December
In Rajasthan, state executive directives mandate holding minimum quarterly Gram Sabha meetings on fixed dates of national and socio-political significance: January 26th for Republic Day, May 1st for Labour Day, August 15th for Independence Day, and October 2nd for Gandhi

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Jayanti. December 10th is Human Rights Day, not a statutory mandatory Gram Sabha date.

48. (A) State Finance Commission constitutes → Reviews financial position of PRIs → Recommends principles to Governor → State Legislature implements
The statutory fund devolution process follows a defined sequential mechanism. First, the Governor constitutes the State Finance Commission. The Commission subsequently reviews the financial position of local self-governing bodies and recommends revenue-sharing principles to the Governor. Finally, the Governor submits the report to the State Legislature, which implements fiscal allocations through statutory enactments.

49. (B) 21 years
Article 243F of the Indian Constitution specifies that a person shall not be disqualified for being chosen as a member of a Panchayat if they have attained twenty-one years of age. Unlike elections to state legislative assemblies or Parliament, which mandate twenty-five years, twenty-one years is the constitutional minimum age for local self-government elections.

50. (C) Strengthening the capacity building of Panchayati Raj Institutions
The Rashtriya Gram Swaraj Abhiyan is a centrally sponsored scheme designed to strengthen the capacity building and governance capabilities of Panchayati Raj Institutions. It focuses on training elected representatives and rural officials, fostering administrative infrastructure, upgrading technological capabilities, and promoting sustainable development goals at the grassroots level across all rural local bodies.

51. (A) I, II, and III only
Panchayati Raj Institutions are responsible for local infrastructure functions like rural drinking water systems, maintenance of primary school buildings, and inter-block connectivity roads. Heavy manufacturing industries require centralized industrial regulation, capital planning, and environmental clearances, falling under union and state governmental jurisdiction rather than the decentralized civic mandate of rural local bodies.

52. (D) An assembly of all adult voters of a specific ward in a Gram Panchayat
In Rajasthan's local governance framework, a Ward Sabha represents the most localized deliberative body, comprising all registered adult voters within a specific territorial ward of a Gram Panchayat. It meets periodically to discuss hyper-local ward concerns, identify specific infrastructure priorities, suggest developmental beneficiaries, and forward ward-level resolutions to the Gram Sabha for consolidation.

53. (B) Line officials report administratively to Panchayats but technically to state departments
Dual control refers to an administrative conflict where field functionaries, such as engineers or extension officers, report administratively to elected Panchayat leaders but remain subject to technical supervision, pay structures, transfers, and career promotions governed by parent state government departments. This split hierarchy undermines the local operational authority and supervisory oversight of Panchayati Raj Institutions.

54. (B) 6 months from the date of its dissolution
Article 243E of the Indian Constitution stipulates that if a Panchayat is dissolved prematurely before completing its five-year tenure, fresh elections to reconstitute the Panchayat must be completed within six months from dissolution. However, if the remainder of the term is less than six months, no fresh election is legally mandated.

55. (D) Distribution of net state tax revenues and duties between the State and Panchayats
Under Article 243I, the State Finance Commission's core responsibility is recommending statutory parameters for the distribution of net proceeds of state taxes, duties, tolls, and fees between the state government and Panchayati Raj Institutions. It also determines tax assignments, grant-in-aid formulas, and measures needed to improve local financial sustainability and revenue generation.

56. (A) I and II only
Article 243D guarantees political representation for Scheduled Castes and Scheduled Tribes by reserving seats and chairperson positions in proportion to their demographic population. While this fosters grassroots empowerment and structural inclusion, it does not eliminate the necessity for targeted socio-economic

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development welfare schemes, as political reservation alone does not automatically resolve structural socio-economic disparities.

57. (B) Taxes on houses, water, and local fairs collected by the Panchayat
Own Source Revenue refers to internal financial resources independently levied, collected, and retained by a Gram Panchayat under state statutory authorization. Examples include property taxes on houses, user fees for drinking water supply, sanitation charges, vehicle fees, and license fees levied on local weekly markets, commercial shops, and traditional village fairs.

58. (A) Article 243ZD
Article 243ZD of the Indian Constitution mandates the creation of a District Planning Committee in every state at the district level. The DPC consolidates developmental plans prepared by Panchayats and Municipalities across the district, drafting a unified development plan that addresses spatial planning, water sharing, environmental conservation, and joint infrastructure development.

59. (A) The Block Development Officer (Vikas Adhikari)
Under Section 36 of the Rajasthan Panchayati Raj Act, 1994, an elected Sarpanch or Deputy Sarpanch wishing to resign from office prior to term completion must tender their resignation in writing under their hand to the Block Development Officer (Vikas Adhikari) of the concerned Panchayat Samiti having administrative authority over the area.

60. (B) I, II, and IV only
Convergence strategies optimize public expenditure by combining financial, physical, and labour inputs across schemes like MGNREGA and Swachh Bharat Mission (Grameen) to construct community sanitation facilities and Anganwadis. It systematically prevents redundant efforts while building durable assets. Contracting implementation to corporate firms or abolishing local Panchayats contradicts core constitutional democratic decentralization principles.

61. (D) A supervisory and coordinating advisory body at the district level
At the district level, the Zila Parishad functions primarily as a supervisory, coordinating, and advisory institution in the Panchayati Raj framework. It examines and approves the budgets of Panchayat Samitis, consolidates block development plans, monitors the implementation of central and state developmental schemes, and advises state departments on district-level planning requirements.

62. (C) Village Development Officer (VDO)
The administrative head and executive secretary at the Gram Panchayat level in Rajasthan is the Village Development Officer (Gram Vikas Adhikari). The VDO maintains official records, assists the Sarpanch in convening Gram Sabha meetings, handles financial transactions, and ensures the implementation of developmental programs approved by the Gram Panchayat executive body.

63. (B) Have more than two children after the cut-off date
Under the Rajasthan Panchayati Raj Act, 1994, a two-child norm disqualification provision was introduced to promote family planning. Any individual who has more than two children after the prescribed cut-off date (November 27, 1995) is legally disqualified from contesting or holding office as a representative in Panchayati Raj Institutions in Rajasthan.

64. (D) The proportion of their population to the total population in the Panchayat area
Article 243D of the Indian Constitution mandates that the reservation of seats for Scheduled Castes and Scheduled Tribes in every Panchayat shall be determined strictly on the basis of demographic proportion. The number of reserved seats reflects the ratio of their population to the total population of the respective Panchayat area.

65. (A) The unofficial exercise of power by the husband of an elected female Sarpanch
The term Sarpanch Pati describes a patriarchal socio-political phenomenon in rural local governance where the husband or male relative of an elected female Sarpanch informally exercises political authority, conducts official administrative duties, and directs decision-making, thereby undermining the genuine political empowerment intended by constitutional gender reservation policies in local self-governing bodies.

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identification, project approval, and social audits at the village level. However, it possesses no legal authority under the Constitution or state laws to dismiss Members of the Legislative Assembly, who are elected representatives of broader state legislative electoral constituencies.

76. (C) District Rural Development Agency (DRDA)
Historically, the District Rural Development Agency functioned as the principal specialized agency at the district level for coordinating, implementing, and monitoring central anti-poverty programs like the Integrated Rural Development Programme. Modern governance reforms have systematically driven the structural merger of DRDAs into Zila Parishads to unify local administration and empower elected local self-governments.

77. (D) Elected representatives often lack administrative experience and technical knowledge to manage devolved subjects
Structured capacity building and training programs are essential because newly elected Panchayat representatives frequently lack administrative experience, legislative knowledge, and technical familiarity required to execute devolved subjects. Training equips local leaders with financial planning skills, statutory knowledge, scheme implementation procedures, and digital portal operations necessary to ensure effective decentralized self-governance across rural territories.

78. (C) Rural housing and minor forest produce
Under the Eleventh Schedule of the Indian Constitution, rural housing and minor forest produce are explicitly listed among the twenty-nine subjects devolved to Panchayati Raj Institutions. Universities, national stock exchanges, and international passports fall under Union or State lists and are governed by central or state ministries rather than rural local self-governing bodies.

79. (C) Article 243C
Article 243C of the Indian Constitution specifically governs the composition of Panchayats across all tiers. It stipulates that state legislatures may make laws regarding Panchayat composition, ensuring that all seats in a Panchayat are filled by direct election from territorial constituencies, while chairpersons at intermediate and district levels are elected indirectly.

80. (D) Online auditing of Panchayat accounts to enhance financial transparency
AuditOnline is an open-source application developed under the e-Panchayat Mission Mode Project to facilitate online auditing of Panchayat financial accounts. It automates financial audit workflows, enables statutory tracking of audit observations, ensures timely financial disclosures, and enhances public transparency and fiscal accountability in the management of devolved public funds across rural local self-governing bodies.

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Gram Sabha, being a deliberative general body, lacks a dedicated administrative head.

10. (C) Article 243I
Article 243I of the Indian Constitution mandates the constitution of a State Finance Commission by the Governor every five years. The Commission reviews the financial position of Panchayats and recommends principles governing the distribution of net tax proceeds, duties, tolls, and grants-in-aid between the state government and rural local self-governing bodies.

11. (A) A unified digital window for planning, accounting, and monitoring Panchayat activities
The e-Gram Swaraj portal, introduced by the Ministry of Panchayati Raj under the Digital India campaign, provides a unified digital window for decentralised planning, real-time progress monitoring, and asset accounting across Panchayats. It enhances transparency in financial management by digitizing developmental plans, project status reports, and expenditure records for public scrutiny.

12. (C) Funds, Functions, and Functionaries
The 3Fs problem in local self-governance highlights the incomplete operational devolution to Panchayati Raj Institutions. It specifically points to insufficient financial allocations and revenue powers, incomplete transfer of constitutionally listed subjects, and a lack of dedicated administrative and technical staff necessary for effective planning, execution, and service delivery in rural regions.

13. (A) 4, 2, 3, 1
Formulating a Gram Panchayat Development Plan follows a structured bottom-up approach. It initiates with the formation of the Gram Panchayat Planning Facilitation Team. Next, a thorough needs assessment and situational analysis are conducted, followed by projectization and final plan drafting. Finally, the completed plan is presented to the Gram Sabha for formal approval.

14. (C) Mahatma Gandhi NREGA (MGNREGA)
The Mahatma Gandhi National Rural Employment Guarantee Act designates Gram Panchayats as the principal planning and execution authorities at the local level. Panchayats handle project identification, job card distribution, wage payment monitoring, and work execution. They are mandated to implement at least fifty percent of all works in terms of cost within their jurisdiction.

15. (B) Manage anti-poverty and rural development schemes
The District Rural Development Agency was created as a dedicated district-level agency registered under the Societies Registration Act to manage, implement, and oversee central and state anti-poverty programs. It ensured financial administration and inter-departmental coordination for rural poverty alleviation schemes prior to its ongoing structural merger with the Zila Parishad across states.

16. (A) I, II, and IV only
The 73rd Constitutional Amendment Act establishes a five-year tenure for Panchayats, mandates the setup of State Finance Commissions every five years, and requires demographic population-proportionate reservation for Scheduled Castes and Scheduled Tribes. However, Members of Parliament do not participate or vote in Gram Sabha meetings, as Gram Sabha membership is restricted strictly to village electoral voters.

17. (A) The District Collector acting as the ex-officio Chairperson
A Panchayat Samiti comprises directly elected members from territorial constituencies, all Sarpanchs of Gram Panchayats within the block, and area Members of the Legislative Assembly. The political head and chairperson is an elected representative known as the Pradhan. The District Collector is a senior civil administrator at the district level, not an ex-officio chairperson.

18. (C) Assertion (A) is true but Reason (R) is false.
Constitutional reservation of seats for women in Panchayati Raj Institutions has successfully facilitated the entry and leadership of thousands of women in rural local administration. Although patriarchal social norms like the Sarpanch Pati practice exist in certain regions, it has not completely eradicated the positive administrative, social, and political impact of female leadership across the country.

19. (D) Article 243D
Article 243D of the Indian Constitution provides for the reservation of seats in Panchayats at all levels for Scheduled Castes and Scheduled Tribes

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